

## U.S. Trade Deficit At Widest in 4 Years

### Dollar Falls Sharply on the News

By Richard W. Stevenson  
New York Times Service

WASHINGTON — The U.S. trade deficit surged in July to its highest level in at least four and a half years, the government reported Wednesday, undermining the Clinton administration's claim to an improving trade performance but at the same time reducing the chances of inflation.

The Commerce Department said the deficit rose 42.7 percent, to \$11.7 billion from \$8.2 billion in June, in part because of a surge in imports of Japanese cars, Chinese toys and oil.

It was considerably more than economists had expected and the highest level since the government began its current monthly measurement system in January 1992. Under a previous system, which measured the deficit quarterly rather than monthly, the deficit last exceeded its current level in the last three months of 1987, when the figure averaged \$12.9 billion per month.

The report reflected a 3.6 percent drop in exports, to \$67.2 billion, and a 1.2 percent increase in imports, to \$78.9 billion. The deficit has bounced up and down all year, and for the first seven months of the year is running about 10

percent lower than it was during the same period last year.

Analysts said some details of the report were puzzling, and that it was too soon to say whether the July deficit was a harbinger of further deterioration in the U.S. trade position. In particular, they said, there was no evident reason for the deficit with Western Europe to have grown to \$4.2 billion in July from \$800 million in June.

But there were enough troubling elements to the figures, including a 34 percent increase in the deficit with Japan, to provide Bob Dole's presidential campaign an opportunity to criticize President Bill Clinton's economic record.

"We had better change captains, because the ship is sinking," said Robert

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#### IN BUSINESS/FINANCE

- Bertelsmann delays its digital network.
- American Express innovates to attract customers.
- Francesco Caio resigns from Olivetti.

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## 5,000 Jobs Will Be Lost As British Air Cuts Costs

By Erik Ipsen  
International Herald Tribune

LONDON — British Airways, calling a halt to years of rising employment, said Wednesday it would cut 5,000 workers over the next 18 months, its biggest such move since its privatization nearly a decade ago.

The carrier, Europe's largest airline and the world's most profitable one, said the cost-cutting measures could mean selling off some activities as well as shifting some jobs to less expensive locations. It estimated the savings at £1 billion (\$1.56 billion).

BA said it expected that most of the 5,000 job losses in its British work force of 49,000 would be at Heathrow and Gatwick airports, near London. The jobs affected, it said, would extend across the board, from flight crews to ground personnel.

"Today marks the start of the next stage on our long journey from privatization," said British Airways' chief executive officer, Robert Ayling.

"The market in which we are operating is changing rapidly. The competition is getting better and more efficient. Our cost of providing a seat has risen faster than the price customers pay."

The overhaul by British Airways, consistently the world's most profitable airline in recent years, will be

closely watched by its competitors worldwide. BA has made about £800 million in cost cuts over the past five years and last year posted a record profit of £585 million.

"These moves keep BA at the leading edge in the industry of keeping costs down," Chris Avery, an analyst with Paribas Capital Markets, said of the announcement Wednesday.

The company's shares rose 5 pence Wednesday to close at 529 pence.

Where BA has come up short, however, is in its ambitious plan to link up with American Airlines to form the world's largest airline alliance.

In addition to generating substantial new revenue for both airlines by coordinating their schedules to offer seamless long-distance travel, the alliance would allow the carriers to eliminate duplication in operations ranging from aircraft servicing to ticketing.

Three months after the alliance was announced, it remains bogged down by regulatory problems.

"They have immersed themselves in a regulatory quagmire," said Nigel Davies, an analyst at Panmure Gordon. "To get out, they need the regulatory approval of the world and his wife."

Competitors, including the U.S. gi-

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South Korean troops attaching their raft to the North Korean submarine before inspecting the vessel Wednesday off South Korea's east coast.

## South Korea Hunts Down Infiltrators From North

By Nicholas D. Kristof  
New York Times Service

SEOUL — Thousands of South Korean troops backed by helicopters, gunboats and tracker dogs searched a rugged mountainous area Wednesday for armed North Korean infiltrators who apparently sneaked into South Korea by submarine during the night.

Troops caught one of the suspected infiltrators alive and found the bodies of 11 others, who apparently preferred to kill themselves rather than risk capture. The captured soldier reportedly told interrogators that at least eight more commandos were still at large.

"By committing this bold infiltration with a submarine, they are seriously threatening our security," said Yoon Chang Ro, a spokesman for the Defense Ministry in South Korea. "This is a grave provocation that should not be left unanswered."

The incident, which began when a suspicious taxi driver spotted the outline of a submarine just offshore, raised ten-

sion in a region that is already as tense as any in the world.

The barbed wire and minefields that cut across the Korean Peninsula already mark the greatest massing of hostile troops in the world today, and the one thing that both sides agree on is that the other could launch a war with little notice.

North Korea has periodically sent armed infiltrators into the South, most recently last October, but they are usually in groups of about two or three at a time and they mostly cross on foot or are dropped off by boat. This use of a submarine was very rare, and — most remarkably — the submarine apparently ran aground as it approached the shore, and had to be abandoned.

The North Korean submarine, a 325-ton, 32.5-meter gray vessel, bobbed in the waves Wednesday, 30 meters offshore near the east coast city of Kangnung. South Korean troops carrying machine guns were posted nearby and a

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## War Crimes Judge Assails West's Failure To Seize Serb Suspects

By Charles Trueheart  
Washington Post Service

THE HAGUE — The chief prosecutor for the international Yugoslavia war crimes tribunal is leaving office after two years with a final blast at Western leaders' failure to back up the work of the tribunal with arrests.

The prosecutor, Judge Richard Goldstone, on Wednesday faulted the nations most closely involved in establishing the United Nations tribunal for their failure to arrest the most notorious Bosnian Serb leaders, Radovan Karadzic and Ratko Mladic. Last week, he called the international community's approach "pusillanimous."

The two, still at large, are accused of genocide and war crimes for their roles in ordering the slaughter of 8,000 Bosnian Muslim civilians in Srebrenica last year. NATO forces in Bosnia have orders to arrest any of the indicted — but

forces or the relevant authorities in the former Yugoslavia.

Judge Goldstone, who leaves the prosecutor's office to return to his native South Africa and its highest court, said he had been asked "how I would explain to a mother in Omaha, Nebraska, that her son was killed going to arrest a war criminal in Bosnia."

"I said I would explain it the same

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## Paris Faces Skepticism On Budget Maneuver

By Alan Friedman  
and Max Berley  
International Herald Tribune

PARIS — France unveiled a 1997 budget Wednesday that government officials said would put it firmly on the road to achieving European monetary union. But many economists said that the plan relied largely on an accounting device and that its public spending cuts were mainly cosmetic.

The country's top politicians, including President Jacques Chirac and Prime Minister Alain Juppe, issued triumphant statements, saying that for the first time in nearly 40 years France had unveiled a budget in which government spending had decreased.

But French officials conceded Wednesday that they would achieve the European monetary union target — a deficit equal to no more than 3 percent of the country's gross domestic product — mainly because of a one-time accounting maneuver. The budget deficit condition laid out under the Maastricht treaty on European integration would be met by way of a controversial transfer of 37.5 billion francs (\$7.3 billion) from the state telephone monopoly, France Telecom, to the Treasury.

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## In Move to Bolster Party, Japan Leader to Call for Vote

By Kevin Sullivan  
and Mary Jordan  
Washington Post Service

TOKYO — Prime Minister Ryutaro Hashimoto is expected to announce Thursday that he will dissolve the national Parliament later this month and schedule Japan's first general election in three years for Oct. 20.

In calling the election, Mr. Hashimoto is betting his job and the prestige of his Liberal Democratic Party on a generally improving economy and his successful handling of Okinawan unrest over the high concentration of U.S. military bases there.

Most analysts here say the most likely outcome of the election is a strong

showing for the Liberal Democratic Party and a continuation of Mr. Hashimoto's eight-month tenure as prime minister.

"It probably means more of the same: Hashimoto is going to come out on top," said John F. Neuffer, a political analyst at Mitsui Marine Research Institute in Tokyo.

Still, a couple of rising stars in the Japanese political world have added spice to the election by forming a new left-leaning party, the Democratic Party.

A few dozen lawmakers from several parties have already announced plans to

join the new party, headed by Health Minister Naoto Kan and Yukio Hatoyama.

Mr. Hatoyama is the scion of a wealthy and powerful family in Japanese politics, and the former secretary-general of New Party Sakigake, a junior partner with the Liberal Democrats in the current governing coalition. Mr. Kan is the most popular politician in Japan at the moment, largely because of his handling of a national AIDS-related scandal and his refusal to allow a subsequent cover-up by government bureaucrats.

"Kan achieved what no other politician in Japan has before: bringing the

bureaucracy to its knees," said Christopher Redl, a political analyst for ING Barings in Tokyo.

At 59, Mr. Hashimoto is considered young in Japanese politics. But Mr. Kan and Mr. Hatoyama, both in their early 40s, are playing up their youth and their liberal counterpoint to the conservative Liberal Democratic Party and the major opposition party, the center-right Shinshuto, or the New Frontier Party. Observers say the new Democratic Party could draw strong support from women and urban voters, two powerful groups

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## As Zaire Crumbles, a Province 'Secedes' Into Stability

By Howard W. French  
New York Times Service

MBUJI-MAYI, Zaire — Ask nearly anyone in this scruffy mining town for an explanation of the hardships residents have had to endure through 36 years of independence and the answer is likely to be something like: "Making things difficult for us is the policy of Zaire."

For decades Mbuji-Mayi, the capital of East Kasai Province, has been the industrial-diamond capital of the world, producing millions of carats of the gems each year. Yet, with few schools and no more than a handful of paved streets, the capital has seen its most ambitious children continually emigrating in droves to seek learning and livelihoods elsewhere.

Zaire, Africa's third-largest country in both size and population, has begun disintegrating. Nowhere has Zaire's legendary gap between rich potential and squalid reality gaped so widely.

But in the last few years, as the country crumbled around it, this landlocked province of 6 million people has deftly reinvented itself as an autonomous and surprisingly stable enclave.

Without the kind of violent separatist struggle

that has become the African norm, East Kasai has quietly maintained its own currency, controlled inflation and taken charge of its own destiny in other ways that have dramatically broken with decades of drift.

Already, East Kasai's style of creeping independence, in which the region's elites have been careful never to provoke a tottering central state into direct confrontation, is being copied by other regions of Zaire. They are turning their backs on a distant and preoccupied capital, Kinshasa, and rapidly forging economic and even political links with healthier neighbors.

A similar process is emerging in other troubled giant African countries as well, from Nigeria to Sudan, where ethnic minorities or residents of remote border regions are cautiously seeking to overcome the handicaps of neglect or official scorn by strengthening ties with neighbors in other countries toward whom they often feel much more kinship.

"The kinds of secessionist movements that we have seen in the past are simply outmoded," said Pierre Moukendi, a geographer and one of a group



A gem merchant weighing industrial diamonds offered for sale in East Kasai Province.

Dow Jones	Trib Index
Down 11.47	Up 0.02%
5877.36	138.47

The Dollar	Wed. close	previous close
DM	1.509 5	1.5143
Pound	1.5606	1.5557
Yen	109.20	110.26
FF	5.141	5.1438

Newsstand Prices	
Andorra	10.00 FF
Armenia	12.50 FF
Cameroon	1.600 CFA
Egypt	EE 5
France	10.00 FF
Gabon	1100 CFA
Greece	350 Dr.
Italy	2.800 Lire
Ivory Coast	1.250 CFA
Jordan	1.250 JD
Lebanon	11.3000
Morocco	18 Dh
Niger	10.000 Fils
Romania	12.50 FF
Saudi Arabia	10.00 R.
Senegal	1.100 CFA
Spain	225 PTAS
Tunisia	1.250 Dh
U.A.E.	10.00 Dh
U.S. Mil. (Eur.)	\$1.20





## A British Tradition / Scorn and Insults for Relaunching

## The Unsinkable Punch Sails Into a Sea Full of Torpedoes

By Warren Hoge  
New York Times Service

LONDON — Punch, the one-time British cultural icon that has just been brought back from the dead, has been greeted with a lively reaction that is just as rich a British tradition — bristling expressions of disdain, scorn, derision, contempt and character assassination.

Absent for more than four years, the weekly magazine of satire, cartoons and reviews was revived with an infusion of about £3 million (nearly \$5 million) by Mohamed al Fayed, the Egyptian-born businessman who specializes in acquiring British emblems. He and his family already own Harrods, London's biggest and most famous department store, Turnbull & Asser, the shirtmaker that has swaddled British torsos in its signature stripes for generations, the castle of Clan Ross in the Scottish Highlands and the lease to the Paris villa of the duke and duchess of Windsor.

A wary and imaginative observer of British life from its founding in 1841, Punch was shut in 1992 by United Newspapers Group, its owner at the time, as too expensive to keep up.

Circulation had declined from a high of 175,000 in the 1940s to 33,000 and its reputation had taken a similar plunge, earning it the unwanted fame of being available only in deotists' waiting rooms rather than in its previously accustomed locations in family parlors and smart gentlemen's clubs.

The relaunching of Punch on Sept. 6 was followed rapidly and predictably by the dishing of Punch.

"Just as boring as the old one," Ian

Hislop, editor of its irreverent rival Private Eye told the BBC. In an article bylined "By Our Marine Staff," Private Eye reported on the salvage attempt of "The Punch, the flagship magazine they said was unreadable (surely 'unsinkable'?) Ed."

The same image was picked up by Richard Ingrams, editor of The Oldie, another competitor. "It could further be said that the new Punch is the magazine world's equivalent of the Titanic," Mr. Ingrams wrote. "Such a response, however, would be uncharitable and churlish."

Alan Coren, its editor from 1978 to 1987, welcomed its new editor, Peter McKay, with a dash of acid. "I wish him luck," Mr. Coren said, "and I wish him talent."

There is nothing new in all this. Sir Francis Burnand, an editor of the magazine during the Victorian era, was told on taking office that Punch was not as good as it once was. "It never was," he replied.

A culture so keen on maintaining appearances and the gap this produces between pretension and performance allow a lot of running room for the practitioners of annihilating humor. "The British love to see people fighting," Mr. McKay said.

A cigar-smoking, jocular former newspaper columnist, he is hardly the first editor of Punch to be pilloried. Its boss from 1953 to 1957, Malcolm Muggeridge, left office saying that "trying to produce a humorous magazine for the British was the worst task known to man."

It does not appear to have dampened the good cheer of Mr. McKay, who laughs easily and often. He warns to depictions of himself as "Peter McLie, the world's worst

columnist" and Peter McHackey, a play on his name as a "hack," a libelous and voluble newsmen.

He has spent much of his time since the magazine's relaunching in slanging matches with people like Mr. Hislop and Mr. Ingrams, both men he once merrily composed insults and slanders with at Private Eye.

"It'll calm down for a while, but then there will be a fresh fusillade of dead cats coming over the wall," Mr. McKay said with an air of blithe expectation.

When Mr. Ingrams started The Oldie in 1992, Mr. McKay greeted it by saying, "It sounds like the kind of project dreamed up by drunks and forgotten in the morning."

Mr. McKay assigned the job of rubbishing his two antagonists in Punch's first issue to the gossip columnist Nigel Dempster.

"Richard Ingrams is an unemployable has-been," Mr. Dempster wrote. Mr. Hislop, he said, has looks that are "very akin to a fruit bat."

It seems that everyone has wanted to take a shot at Mr. McKay and his plans for what was once the world's most famous satirical magazine.

"If I had set up shop producing chemical weapons and announced that I intended to sell them to third-world nations, the press would have shown no interest," Mr. McKay said, sitting in front of a painting of the hooded jester on his office wall, surrounded by portraits of his 13 predecessors in the editor's chair.

"But say you are reviving a humorous magazine, and the entire press is at your door. 'Everyone in Britain thinks he's an expert on humor,' he said. 'They all ask, 'What makes you think you can do this?' Muggeridge



Being peered at by a statue of Punch that once stood outside the magazine's offices in London, Peter McKay, the new editor, warms to depictions of himself as "Peter McLie, the world's worst columnist" and Peter McHackey, a play on his name as a "hack," a libelous and voluble newsmen.

once said that England is the only place where trying to be funny is considered an insult."

Mr. McKay has addressed this by swearing off the brand of satire he once practiced and promising a more refined version in Punch.

The humor of Private Eye, The Oldie, Viz and Scallywag, four publications that dedicate themselves to making the British laugh, is, in Mr. McKay's current view, "scabrous, sour, malicious, chastising."

The first issue's cover spoofs a Conservative Party advertising campaign that pictured Tony Blair, head of the Labor Party, in a safecracker's blindfold with the legend "New Labor New Danger." This time the beady eyes are Punch's, and the warning is "New Punch New Danger."

Inside are reviews, cartoons and lightly mocking essays about why Irish emigrants are returning home, why American Southerners can't abide Bill Clinton and why former Prime Min-

ister Edward Heath won't drop his ambition to be an orchestra conductor.

In pursuit of the last laugh, Mr. McKay has commissioned a cartoon that shows a truck stacked high with copies of the magazine idling in front of an office building. The driver is in earnest conversation with a bewildered man at the front door.

"No, I'm sure this is the right place," the driver says, pointing at his delivery sheet. The man he is addressing is a dentist.

## Sihanouk's Gamble With Justice: Will Amnesty Help to Deliver Peace?

By Seth Mydans  
New York Times Service

BANGKOK — "Do I have remorse? No," said Ieng Sary, the breakaway Khmer Rouge leader who is implicated in the killings of huge numbers of his fellow Cambodians in the 1970s. "I have no regrets, because this was not my responsibility."

Last Sunday, one week after Mr. Ieng Sary made this statement to reporters visiting

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his jungle stronghold, his words received official endorsement when King Norodom Sihanouk issued a terse statement granting him amnesty.

The amnesty left open crucial questions about Mr. Ieng Sary's future in Cambodian society and politics and even his vulnerability to future prosecution.

But its symbolism was far-reaching in a nation that has still not come to terms with its brutal past.

It was, in effect, a swap of amnesty for the hope of peace, said an Asian diplomat in Phnom Penh.

It was, he said, a forgiveness of a debt for past killings in exchange for future lives saved.

"Probably there is a different sense of justice between West and East," the diplomat said.

"It is almost like a reward for bringing peace and reconciliation. One has to know the magnitude of this breakaway movement."

"This is practically the beginning of the collapse of the Khmer Rouge," he said.

A severe split within the ranks of the Communist guerrilla movement broke into the open in early August when hardliners accused Mr. Ieng Sary and the forces he controls in northwestern Cambodia of treason.

Mr. Ieng Sary's faction then stepped up talks with the Cambodian government.

Those talks have led to a tentative agreement to allow the faction to keep control of its territory while coming under the nominal command of government forces.

Mr. Ieng Sary has issued several statements asserting his innocence in the mass killings and attributing them to his longtime comrade and brother-in-law, Pol Pot, the top leader of the Maoist Khmer Rouge movement.

Mr. Ieng Sary has insisted on amnesty as the price of his defection.

Like many of the statements that have emerged from both sides in the peace

talks, King Sihanouk's announcement Sunday raised as many questions as it answered.

The amnesty made specific mention only of Mr. Ieng Sary's death sentence in absentia in 1979 — along with Pol Pot's — by a Vietnamese-backed Cambodian court and of a 1994 law that outlawed the Khmer Rouge movement.

On the same day he signed the decree, King Sihanouk made public a letter he had sent to Amnesty International in which he said he would support the judgment of any future tribunal that tries

Mr. Ieng Sary or other Khmer Rouge leaders.

The king's letter expressed agreement with an open letter from Pierre Sane, the secretary general of the human rights group, which said, "It is the duty of the state to undertake proper investigations into human rights violations and to ensure that those responsible are brought to justice."

Stating one argument against an amnesty, the letter said, "Amnesty International believes that impunity — literally the exemption from punishment

— is one of the main contributing factors to continuing cycles of human rights violations worldwide."

A Yale University project financed primarily by the U.S. Congress is under way now in Cambodia to collect and analyze Khmer Rouge documents that could be used by a future tribunal.

In a telephone interview from New Haven, the project's director, Ben Kiernan, said that despite Mr. Ieng Sary's claims of innocence there was strong evidence against him.

"It is quite clear from the entire his-

tory of the regime that he was deeply implicated in the regime and its actions," Mr. Kiernan said.

Scholars now estimate that under the Khmer Rouge, more than a million and perhaps as many as 2 million Cambodians were executed or died of starvation, overwork, torture or poverty, treated despoiled.

Despite the evidence, independent analysts say there are serious obstacles to any criminal trial of Khmer Rouge leaders.

One main obstacle is the passage of time.

Memories have faded, witnesses have disappeared, political concerns have changed and alliances have become increasingly complex.

The political imperatives of the moment in Cambodia involve the rivalry of the two co-prime ministers, Hun Sen and Norodom Ranariddh, both of whom seek credit for bringing peace and hope to win the support of defecting guerrillas.

Seventeen years after the killings ended, Mr. Ieng Sary and the Khmer Rouge are less important to Cambodia's leaders as the monsters of the past than as potential players in today's politics.

The Khmer Rouge are now like the Foreign Legion in France," the Asian diplomat said. "Everyone wants them because they are good fighters."

## Cambodia to Weigh Rebel Demand for Posts

Reuters

PHNOM PENH — Cambodian peace negotiators said Wednesday that the government, not the military, would decide whether to accept Khmer Rouge guerrilla demands for senior armed forces posts.

A working group of top armed forces officers and commanders of breakaway Khmer Rouge forces in northwest Cambodia met Tuesday in the guerrilla stronghold of Pailin to discuss a merger of their forces and administration issues.

"It is not my duty to agree to the

positions requested by the Khmer Rouge," said General Ke Kim Yan, armed forces chief of staff and head of the government negotiating team. "It depends on the government."

The guerrilla negotiators, led by the divisional commanders Sok Peap and El Chien and including the son of the dissident Khmer Rouge leader Ieng Sary, demanded one deputy chief of staff post, one regional military chief and three regional deputy chief posts.

They also want one deputy chief of staff post in the Interior Ministry and

requested that the Pailin region remain in their control as a separate province from Battambang Province, officials said.

The guerrillas are loyal to Mr. Ieng Sary, who was granted a royal pardon on Saturday over his role in the genocide perpetrated by the 1975-79 Khmer Rouge regime in which he was foreign minister and deputy prime minister.

Kim Mara, a Defense Ministry official, said the Khmer Rouge were not asking for immediate agreement from the government, but had said the administration should not delay its decision.

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## TRAVEL UPDATE

## The Cry Goes Up: Save the Pigeons!

LONDON (Reuters) — Tourists from around the world flocked to the defense of the pigeons in London's Trafalgar Square on Wednesday after reports that the authorities were considering culling the birds' numbers.

With their droppings and sheer numbers threatening to overwhelm the square, the authorities are pondering schemes to thin them out, using trained hawks to chase them away, for example, or spikes to prevent them from perching nearby.

On a chilly September morning recently, visitors from around the globe were happily enveloped in a blur of flapping wings, as pigeons waddled to or swooped down on little pots of bird seed.

"It is a bad idea to cut down on these pigeons," said Alisa Tursonova of St. Petersburg. "They are a symbol of the square."

Stella Geel of Cape Town said: "It's not like that film 'The Birds.' They don't attack you. I think these pigeons are great."

China's State Council has approved construction of a new 2.3 billion yuan (\$277 million) international airport on the southern island of Hainan, the state-run Xinhua press agency said Wednesday.

Resurfacing work on the second runway at Kiev's Boryspil airport has been halted because the promised government financing has not come through, an airport official said Wednesday.

## In Belarus, a Fierce Tug-of-War Between Past and Future

By James Rupert  
Washington Post Service

MINSK, Belarus — Belarus is quietly edging toward the brink.

In this former Soviet state of 10 million people between Russia and Poland, conflict between an authoritarian president and the legislature has escalated in recent weeks — with both sides warning that the skirmish could turn violent.

But in the streets of Minsk, chilled by an early autumn, there is little sign of the political storm.

President Alexander Lukashenko is demanding constitutional amendments that would in effect grant him one-man rule, and he has ordered that they be put to a referendum this fall. All major political parties oppose Mr. Lukashenko, and leaders of the legislature, the Supreme Soviet, have threatened to impeach him unless he backs down.

"In the next two months or so, Belarus is either going to fall into a kind of neo-Soviet dictatorship or it will establish a basis for building a modern state," said a Western diplomat in Minsk. "Right now, it's impossible to tell which."

The stability of Belarus, and its continued independence from Moscow, are important for Europe, partly because the country sits at the center of a dispute between

Russia and the North Atlantic Treaty Organization over NATO's plans to expand eastward. It also possesses about 18 intercontinental ballistic missiles. Mr. Lukashenko has broadened Russia's military access to Belarus and joined Russian hard-liners in warning of problems if NATO proceeds with plans to admit its neighbor, Poland.

Mr. Lukashenko was elected in 1994 after vowing to jail corrupt officials who were letting inflation erode Belarusians' dismal living standards. Appealing to memories of a more stable Soviet past, he won the votes of older, poorer and rural Belarusians.

The president has accused the legislature and constitutional court of blocking him and has tried to eliminate or ignore them. Opponents have accused him of corruption, saying he has accumulated a large slush fund and enriched a narrow circle of allies. Mr. Lukashenko denies the accusations, but his administration has censored reporting of corruption allegations.

Last year, Mr. Lukashenko tried to shut down the legislature by urging Belarusians to boycott elections and deny it a quorum, but enough people voted to keep the Supreme Soviet intact.

This summer, Mr. Lukashenko demanded that the legislature change the constitution to give him overweening powers. When it refused, he declared he would

put the changes to a referendum on Nov. 7, which the legislature has since rescheduled to Nov. 24.

Last week, Mr. Lukashenko accused the legislature of preparing "a coup d'état against the president" by stockpiling arms. Legislators

ridiculed the accusation, but said Mr. Lukashenko could use it as a pretext for armed action.

Last year, riot policemen burst into the Supreme Soviet chamber and ejected about 20 opposition legislators who were holding a hunger strike

to protest Mr. Lukashenko's policies, and the police have used beatings and arrests to break up strikes and opposition rallies.

While Belarusians rejected Mr. Lukashenko's attempt at personal rule last year by defying his call to boycott the

Supreme Soviet elections, results of a referendum with multiple, complex questions are difficult to predict, Belarusian analysts said.

In the past, Mr. Lukashenko's opponents have gathered crowds of 20,000 to 40,000 people for rallies in Minsk.

## WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.

Today				Tomorrow			
City	High	Low	W	City	High	Low	W
Algeria	21/70	18/4	W	Algiers	23/73	15/30	S
Amman	18/64	11/62	S	Amman	18/64	11/62	S
Antwerp	53/69	42/51	S	Antwerp	53/69	42/51	S
Athens	26/79	19/68	S	Athens	26/79	19/68	S
Batavia	27/81	12/59	S	Batavia	27/81	12/59	S
Bombay	27/81	12/59	S	Bombay	27/81	12/59	S
Buenos Aires	72/82	54/41	S	Buenos Aires	72/82	54/41	S
Calcutta	27/81	12/59	S	Calcutta	27/81	12/59	S
Canton	27/81	12/59	S	Canton	27/81	12/59	S
Cebu	27/81	12/59	S	Cebu	27/81	12/59	S
Colon	27/81	12/59	S	Colon	27/81	12/59	S
Hankow	27/81	12/59	S	Hankow	27/81	12/59	S
Hong Kong	27/81	12/59	S	Hong Kong	27/81	12/59	S
Kobe	27/81	12/59	S	Kobe	27/81	12/59	S
London	27/81	12/59	S	London	27/81	12/59	S
Lyons	27/81	12/59	S	Lyons	27/81	12/59	S
Manila	27/81	12/59	S	Manila	27/81	12/59	S
Medan	27/81	12/59	S	Medan	27/81	12/59	S
Shanghai	27/81	12/59	S	Shanghai	27/81	12/59	S
Singapore	27/81	12/59	S	Singapore	27/81	12/59	S
Tientsin	27/81	12/59	S	Tientsin	27/81	12/59	S
Yokohama	27/81	12/59	S	Yokohama	27/81	12/59	S



Unseasonably Cold

Unseasonably Hot

Heavy Rain

Heavy Snow

### North America

Dry and pleasant across most of the East and Midwest with chilly mornings and comfortable afternoons. However, showers will likely attend the Midwest Sunday. Unsettled and cool across the northern Plains with scattered thunderstorms over the southern Plains. Dry and seasonable in the West.

### Europe

Cooler than normal across most of Europe into the weekend. Clouds and unsettled weather will affect much of western Europe, including Paris, Amsterdam and London. The British will also experience some rain and squalls. Scandinavia enjoys dry and pleasant weather.

### Asia

Typhoon Violet will pass south of Japan over the weekend, but may still cause heavy rain near the coast. Warm and humid in Hong Kong with the chance for a thunderstorm. Beijing and Seoul will be mainly dry and calm. Stormy in Singapore with a thunderstorm in the early evening.

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## THE AMERICAS

## Voters Not Buying Dole's Economic Message

By David E. Sanger  
New York Times Service

SAGINAW, Michigan — Only a day after Bob Dole's "Citizen's Ship" whisked him in and out of this once-battered industrial corner of Michigan, it seemed as if everyone in Saginaw had seen the image the Republican presidential campaign wanted them to see: Mr. Dole, in a gesture of Reaganesque simplicity, holding a nickel aloft to symbolize how he would go about cutting the federal budget.

"Five cents," he shouted to the airport crowd, a scene that local television stations in Michigan ran again and again during the weekend. "All I have to do is take 5 cents out of a dollar to pay for this package," he said, insisting that would be enough to pay for a tax cut of 15 percent while settling the deficit Washington has run up over the last 15 years.

Mr. Dole's handlers were delighted with the headline the next morning in The Saginaw News: "Dole Clarifies 15 Percent Solution."

But when neighbors in the Heritage Square section of the ethnically and politically mixed city of Saginaw gathered for coffee and muffins one morning afterward, not one of them, even Republicans who said they liked and trusted Mr. Dole and would probably vote for him, said they found his central message credible.

This is not the 1980s, they complained. Michigan's economy, fueled by the automobile industry, has roared back. In fact, the survivors of the General Motors downsizing are now working too much overtime, they assert.

As a result, they say that Mr. Dole's economic message seems off the point, focusing on taxes rather than on what they want to hear: How to hang onto their jobs in the next recession, how to cope with competition from low-wage labor abroad and how to make sure their children know how to use computers.

Almost everyone in Heritage Square says they would welcome a tax cut, but they fear that Mr. Dole's plan is so large that sooner or later they will be paying

for it in other taxes. Several people said that is what happened after Michigan cut its income and property taxes, only to raise sales taxes and reassess many houses at a higher value.

In interviews conducted after Mr. Dole's economic tour of Ohio, Michigan and Illinois last week, including talks with workers in factories and offices that the candidate visited, people said they were not surprised that Mr. Dole's carefully targeted message was failing to gain much traction.

"Forget the damn tax cut," was the advice offered by William Fentress, a manager in Cincinnati Milacron's purchasing department, after Mr. Dole visited the company last Thursday.

As his co-workers around the fax machine nodded in agreement, Mr. Fentress added, "We should use that money to get rid of the deficit first."

Here in Saginaw, the candidate's effort to reduce his message to a camera-ready scene — 15 percent — has yielded more frustration than votes.

"It's not that people around here wouldn't vote for a Republican, because there's not much loyalty to any party," said James Woolfolk, 24, who has lived in Saginaw since 1971 and runs a manufacturing services unit at a General Motors plant. "But you don't get any details from Dole. Clinton's got problems, but at least he has talked about energizing the economy."

Mr. Dole's campaign says it is too early to judge how well his economic ideas are getting through, a process that they hope to accelerate this week with the publication of a book detailing his plans to cut capital gains taxes in half, establish "opportunity scholarships" for secondary school students and balance the budget. "We're confident that once the message sinks in, things will turn around," said Dave Doyle, the campaign's senior consultant for the Midwest.

But the growing view that Mr. Dole's tax plan is unworkable, many voters say, has colored their view of his rest of his initiatives.

"Five cents on the dollar does not come out to a 15 percent tax cut," said



Bob Dole visiting in Arizona with Barry Goldwater, former Republican senator and candidate for president, who had a small stroke last week.

Gregory Largent, the director of music ministries at a Saginaw church. Mr. Largent's taxes would be reduced by at least \$1,000 under Mr. Dole's plan for a family tax credit, but he drew a laugh from his neighbors the other day when he gave an arch description of Mr. Dole's claim that by cutting capital gains taxes the government would release "\$7 trillion in capital that's now tied up."

"It's not like Anna and I sit around

every night and say, 'You know, I think we can release our capital gains now.' That's not a conversation many people in this city are going to have."

The comments of Mr. Largent and his neighbors make it clear that part of Mr. Dole's problem is that he is running a campaign that seems out of tune with the economic mood of industrial states like Michigan. Poll after poll shows that many voters do not feel the economy is fundamentally on the wrong track.

## President Declares National Monument

GRAND CANYON NATIONAL PARK, Arizona — President Bill Clinton on Wednesday declared 1.7 million acres of dramatic red-rock landscape in southern Utah as a national monument, blocking development of one of the nation's largest known coal reserves.

"Today we are keeping faith with the future," Mr. Clinton declared, announcing his decision on a visit to the Grand Canyon.

The move thrilled environmentalists but outraged many political leaders in Utah, the nation's most Republican state.

With the stroke of a pen, Mr. Clinton created the Grand Staircase-Escalante National Monument in southern Utah, drawing on a 90-year-old law that allows him to act without congressional approval.

"We are saying very simply, our parents and grandparents saved the Grand Canyon for us," the president said. "Today we will save the Grand Staircase-Escalante and the Kaiparowits Plateaus of Utah for our children."

The 680,000-hectare monument lies to the west of the Colorado River and to the east of Bryce Canyon National Park and includes Grand Staircase, Kaiparowits Plateau and the Escalante Canyon.

In a last bid to block the decision, Governor Michael Leavitt of Utah met at the White House on Tuesday with Mr. Clinton's chief of staff, Leon Panetta, but apparently failed to steer Mr. Clinton from what is a hot political issue in the Southwest. (AP)

## Dole Assails Rival For Past Drug Use

LOS ANGELES — Personalizing his anti-drug campaign, Bob Dole criticized President Bill Clinton for making light of his experimentation with drugs and offered students a new catch phrase Wednesday for fighting drug abuse: "Just Don't Do It."

The Republican presidential nominee also continued his critique of the entertainment industry, faulting Hollywood for glorifying drug abuse. He singled out two popular movies, "Pulp Fiction" and "Trainspotting," that he said glorify heroin use.

In his sharpest and most personal attack yet on Mr. Clinton over the drug issue, Mr. Dole called attention to the president's experimentation

with marijuana as a student — and his joke about it during the 1992 campaign.

"A president is supposed to show the way," Mr. Dole said. "This president has shown his moral confusion. We'll never have a firm, confident, national message against drugs when our leaders — any of us — are ambivalent ourselves."

The Clinton campaign quickly responded, noting that Mr. Dole had voted to cut money for school anti-drug programs and opposed the creation of a drug czar. (AP)

## Panel Cites Clinton For Abuse of Power

WASHINGTON — Amid sometimes bitter debate, a committee in the Republican-controlled House adopted a report Wednesday accusing President Bill Clinton of misusing the power of his office in the White House travel office affair.

Democrats boycotted the vote, walking out of the room after saying the Government Reform and Oversight Committee is engaging in a political witch-hunt to embarrass the president.

The report concludes that presidential aides embarked on "a colossal damage-control effort" to cover up the roles of the president and first lady in the 1993 purge of the travel office — an episode in which the White House called in the FBI to investigate career employees.

Representative Henry Waxman of California, the panel's ranking Democrat, said the report was based on innuendo and was part of a "shameful political smear campaign."

The committee chairman, William Clinger, Republican of Pennsylvania, said the Clinton White House had fired the travel office workers in order to replace them with political cronies at the behest of the Hollywood producer Harry Thomason.

"President Clinton has engaged in an unprecedented misuse of the executive power, abuse of executive privilege and obstruction of numerous investigations into the travel office matter," Mr. Clinger said. (AP)

## Quote/Unquote

Paul Begala, the Democratic strategist who had been chosen by the White House to play Ross Perot in practice debate sessions, after the nonpartisan commission's decision to exclude Mr. Perot from the presidential debates: "It's the Trilateral Commission, that's what it is. See? Follow me on this?" (WP)

## Violent U.S. Crime Drops 9%, Biggest Fall in Decade

By Fox Butterfield  
New York Times Service

NEW YORK — The Department of Justice has released a study showing that violent crime in the United States fell more than 9 percent last year, a very large drop that criminologists consider statistically important.

"The striking thing is not just that there has been a decline but the magnitude of the decline," said Alfred Blumstein, a professor at Carnegie Mellon University in Pittsburgh and one of the most respected experts in the United States on violent crime.

Experts point to several factors causing this and similar drops in crime reported recently, but they say it is hard to measure any of them individually. They include the aging of the population, with baby boomers reaching middle age, well past their prime years for committing crime; the spread of more innovative and aggressive police

strategies aimed at preventing rather than reacting to crime; the tripling of the nation's prison population over the last 15 years with tough sentences for criminals; a growing use of crime prevention techniques with young people, and new gun control laws.

With Bob Dole increasingly criticizing President Clinton for being soft on crime and drugs, Mr. Clinton immediately hailed the report, which was released Tuesday. The president said the drop was "the largest decrease in a decade." He asserted that his policies, including putting more police officers on the streets and regulating the sale of handguns and assault rifles, had helped contribute to the decline.

The data released Tuesday were taken from an annual survey of 100,000 Americans, conducted by the Census Bureau, that measures how many people were victims of crimes. This study, known as the National Crime Victimization Survey, is separate from

the better-known annual report released by the FBI, which records all crimes reported to police agencies around the country.

The preliminary FBI figures for 1995, released in May, also showed that violent crime dropped last year, by an estimated 4 percent, the fourth consecutive year in which the FBI report has registered a decrease.

This year, with both reports "telling the same story, they are much more convincing," Mr. Blumstein said.

The new Justice Department survey also follows a different department report in August that the nationwide rate of juvenile violent crime fell slightly last year for the first time in almost a decade and that the rate of homicide by juveniles decreased for the second year in a row, down 13.2 percent.

James Alan Fox, dean of the college of criminal justice at Northeastern University in Boston, said that while some national legislation like adding police

officers can make a difference, no politician can be given credit for demographic changes. In addition, he pointed out, most police work is still done at the local level, and most gun control laws are carried out at the state level, making it difficult for any political leader, Democrat or Republican, to take full responsibility for lowering the crime rate.

## Suspect in Penn State Killing Had Tried to Kill Herself

The Associated Press

STATE COLLEGE, Pennsylvania — Former co-workers called her "Crazy Jill," and neighbors said the woman with the purple Mohawk haircut had a history of mental problems and had tried to commit suicide.

The woman, Jillian Robbins, 19, an avid hunter with Army Reserve training, was lying on a tarp under a tree on the Pennsylvania State University campus on Tuesday morning when she opened fire with a rifle equipped with a telescopic sight, the police said.

From her position in front of the student union, Ms. Robbins fired five rounds, killing a student and wounding another, both people she said she did not know, the police said.

A student on his way to class saw puffs of smoke from her rifle and tackled her while she tried to reload. When Ms. Robbins lunged toward the student, Brendan Malovich, with a knife, he stepped back and the knife plunged into her leg, the police said.

Mr. Malovich, a martial arts-trained aerospace engineering major, quickly took off his belt and tied it around her leg to stem the bleeding as hundreds of panicked students ran across the lawn, one of the campus's busiest areas.

In front of them Melanie Spalla, 19, of Altoona, lay dead. Nicholas Mensah, 27, was shot first, the police said. He was in serious condition following abdominal surgery.

Ms. Robbins, a high school dropout, was in fair condition, awaiting arraignment on murder charges.

The police have no motive for the shooting, the worst act of violence in the school's 186-year history, and have found no connections between the victims and Ms. Robbins.

Acquaintances who spoke on the condition of anonymity said Ms. Robbins had a history of mental problems, once spending time in a hospital. They said she had been married and divorced in the past year and had tried to commit suicide last month.

## MEMORIAL NOTICE

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Andrews.

A religious service was held at  
Sainte-Devote church in  
Monaco, on Tuesday, 17  
September, at 6:30 pm.

## 'Abortion Pill' Clears Hurdle

Drug Agency Asserts RU-486 Is Safe and Effective

(Compiled by Our Staff From Dispatches)

WASHINGTON — RU-486, the abortion-inducing pill, passed its last major hurdle Wednesday on the way to becoming available to women in the United States.

The Food and Drug Administration said the French pill was safe and effective when used under a doctor's supervision. But the agency withheld final approval until it received more information about how the drug would be manufactured and labeled.

The drug has long been the focus of an emotional debate between supporters and opponents of abortion rights. Opponents contend that making it available will increase the number of U.S. abortions. Supporters say it will allow women to exercise an important right in the privacy of a doctor's office.

The drug agency sent a letter requesting further data to the Population Council, a non-profit group that has the U.S. rights to market the drug, known chemically as mifepristone.

Such letters are a common, usually minor, hurdle in the approval process.

"This FDA action marks another major step in the long and complex process to make mifepristone available to American women as it is to women in other countries," the council said.

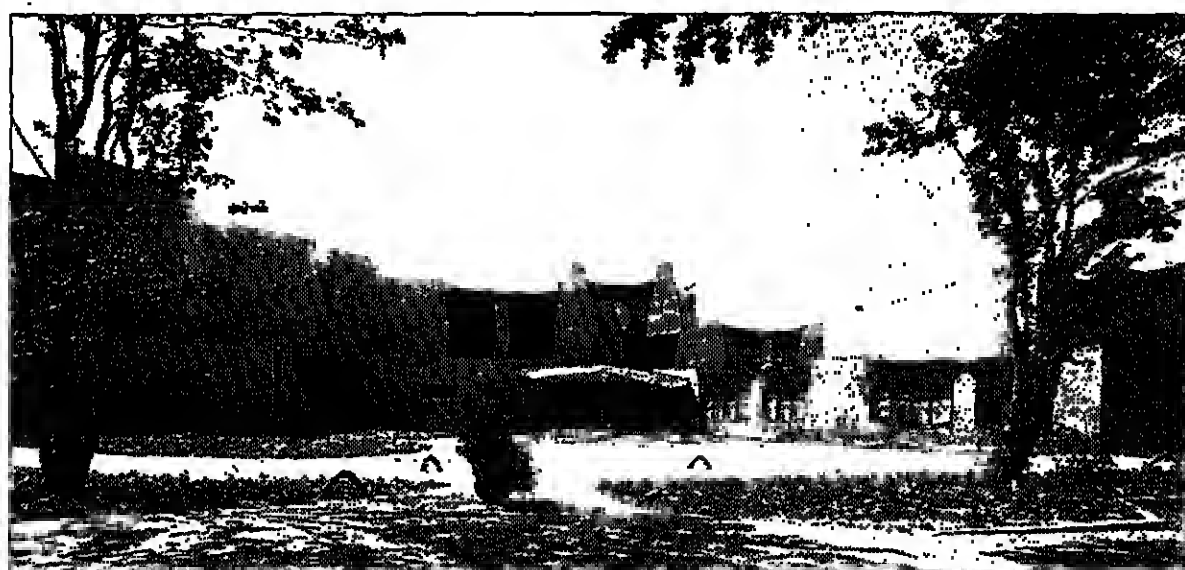
Once the agency gets answers to its questions, it has up to six months to review the information. Officials would not estimate when the drug might reach doctors' offices.

RU-486, which causes abortion by inducing uterine contractions, gives women an alternative to surgical abortion in the first seven weeks of pregnancy. It is made by Roussel Uclaf Co. of France and has been available in Britain, France and Sweden for a decade.

Roussel, under pressure from the anti-abortion movement, did not bring the drug to the U.S. market. Instead, in an unconventional move, it gave the U.S. patent rights to the Population Council, which ran clinical tests last year.

(AP, Reuters)

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For over 30 years, the International School of Amsterdam has served the needs of the international community in and around Amsterdam. Now the school has a new home, a landmark campus, which will serve as a model of state of the art educational architecture far into the next century. His Royal Highness the Prince of Orange of the Netherlands and Dr. Robert Muller, former Deputy Secretary General of the United Nations, officially open the new campus today.

The International School of Amsterdam offers English language educational to more than 600 children ages 2-19. The basically Anglo-American curriculum has been adapted to the needs of a student body of more than 40 nationalities. The school offers an extensive English as a Second Language programme and both the International Baccalaureate and traditional American High School diploma. More than 95% of graduates go on to universities all over the world.

The new school was created for ISA by renowned Dutch architect Ton Alberts and supports ISA's high tech, multi-disciplinary, and child-centered approach to learning. The building features a school-wide computer network with direct access to the Internet, a four-floor library and multimedia center, extensive special purpose rooms for art, music and science, five computer rooms, a 400-seat theatre, and excellent sports facilities. All combine to create a school where children feel welcome to grow and learn in a stimulating and supportive environment.

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## ASIA/PACIFIC

## U.S. Warns China on Sea Expansion

By Michael Richardson  
International Herald Tribune

SINGAPORE — The United States has implicitly warned Beijing that it will not respect a formal Chinese declaration that would restrict freedom of movement by American warships and military aircraft in Asian waters.

The potential new conflict with Beijing arises in the first U.S. reaction to Beijing's declaration in May that China was adding more than 2.5 million square kilometers (965,000 square miles) of sea to its "internal waters."

Washington recently advised China through diplomatic channels that it regarded the expansion as contrary to international law, Western and Asian officials said Wednesday.

But analysts said that the Clinton administration had sought to keep its challenge private and low-key to avoid upsetting U.S.-China relations.

Washington also wants to avoid cornering Beijing publicly on the issue when closed-door negotiations might encourage flexibility, analysts said.

The United States may also be on weak ground since it has not ratified the United Nations Convention on the Law of the Sea because of congressional opposition, while China has pledged to do so.

Nonetheless, the U.S. reaction —

which follows similar expressions of concern by Southeast Asian countries — could significantly raise the stakes for China if it decides to enforce its declaration unilaterally.

In an effort to show China that it was not being singled out, the U.S. diplomatic note to Beijing on Aug. 21 said that American objections were part of its worldwide effort to "preserve internationally recognized rights and freedoms of the international community in navigation and overflight and other related high seas uses," officials familiar with the U.S. position said.

Beijing announced in May that it would ratify the Law of the Sea Convention. At the same time, it issued a declaration listing map coordinates for baselines from which it would measure its territorial sea zone, out to 12 nautical miles, and its exclusive economic zone, out to 200 nautical miles — as permitted by the convention.

The baselines fixed by the declaration were for China's territorial sea adjacent to its southeast coast, but also included the disputed Paracel Islands in the northern part of the South China Sea. The Paracels were seized by Chinese forces from Vietnam in 1974 and Hanoi still maintains that the islands are Vietnamese territory.

Analysts said that Beijing's declaration would expand the area of sea under its jurisdiction to about 3 million square kilometers from the present 370,000.

Under China's territorial sea law of 1992, Beijing regards all waters on the landward side of its baselines as "internal waters." The law states that foreign military ships entering these waters or the territorial sea zone must have prior permission; foreign submarines must travel on the surface and show their flag of origin; nuclear powered vessels (about 25 percent of the U.S. Navy) must "carry relevant documents and take special precautionary measures," and foreign military aircraft have no right to overfly the waters.

In its diplomatic note to Beijing, Washington reportedly rejected such restrictions as being inconsistent with international law.

Officials familiar with the U.S. position said it also took issue with the way China had used long straight baselines to connect some areas of its indented coast and all the islands in the Paracels from their outermost points. As a result, much larger areas of internal water and territorial sea were enclosed.

"The significant thing is that the Americans felt it was necessary to submit a demarche to Beijing," an Asian official said.

## Pakistani Postpones Trip to Afghanistan

ISLAMABAD, Pakistan — The government of Pakistan postponed on Wednesday a trip to Afghanistan by its foreign minister amid renewed charges by Kabul that Islamabad was meddling in its civil war.

The Afghan charge d'affaires here was summoned to the Foreign Ministry and told that the visit by Najmuddin Sheikh to Kabul on Thursday would be rescheduled, a spokesman said.

The spokesman declined to give reasons for the change, but said the Afghan diplomat was informed of Mr. Sheikh's "desire to reschedule the visit at an early date."

The secretary had planned to reopen Pakistan's embassy in Kabul in temporary premises, replacing the building that was pillaged and burned by a mob a year ago.

He was also due to meet with officials of President Burhanuddin Rabbani's embattled government on normalizing relations.

Pakistan froze contacts with Afghanistan after the embassy was burned in protest over alleged Pakistani backing for the rebel Taleban militia, a charge denied by Islamabad. (Reuters)

## Chinese Open Trial Of Jailed Dissident

BEIJING — A detained Chinese dissident went on trial this week on charges of "pledging loyalty" to Taiwan, an international human-rights group said Wednesday.

The Intermediate People's Court in Xian in the northern province of Shaanxi began the trial of Zhang Zhongxi on Monday, the group Human Rights in China said.

Mr. Zhang, 56, lost his seat in the Xian People's Congress in 1989 and was imprisoned for five years for denouncing the military crackdown on the Tiananmen Square demonstrations.

Agents of the State Security Bureau in Xian arrested Mr. Zhang on June 3, the rights group said. (Reuters)



THAI DEBATE — Prime Minister Ban Harn Sipa-Archa at the start of a no-confidence debate in Parliament on Wednesday. The opposition contends he has condoned corruption and mismanaged the economy.

## Dalai Lama Sees Tibet at 'Crucial Stage'

SYDNEY — The Dalai Lama, the exiled spiritual leader of Tibet, said Wednesday that the Tibetan struggle was at a "crucial stage" and that he was optimistic a settlement could be reached with Beijing despite continuing Chinese crackdowns.

"Today, the freedom struggle of the Tibetan people is at a crucial stage," the Dalai Lama said after he addressed the National Press Club in Canberra.

"It is my strong conviction that a change for the better is coming," he said. The Dalai Lama's visit to Australia has created a conflict between Canberra and Beijing. (Reuters)

## Jakarta Opposition Gets a New Warning

JAKARTA — The authorities stepped up pressure Wednesday on the Indonesian opposition leader Mega-

wati Sukarnoputri with a threat to close her new political headquarters.

"We will move in when they use the office to disrupt public order," Lieutenant General Dito Yudhanegara, Indonesia's police chief, was quoted as saying by The Jakarta Post newspaper.

Mrs. Megawati was removed as leader of the Indonesian Democracy Party by a government-backed faction in June. She opened a new headquarters this month. (AFP)

## VOICES From Asia

Anwar Ibrahim, deputy prime minister of Malaysia, after the country announced that foreign workers would be required to undergo health checks to renew their work permits each year, and might be deported if they were found to have communicable diseases: "Last year, about 30 percent of leprosy cases, 11.5 percent of tuberculosis cases, 13 percent of malaria cases and 9.8 percent of filariasis cases involved foreign workers." (AP)

## Hong Kong Anger at Japan Grows

HONG KONG — Thousands of Hong Kong Chinese waved candles and shouted, "Down with Japanese militarism," as a wave of anti-Japan protests over Tokyo's claim to a group of disputed islands hit a new high in Hong Kong on Wednesday.

A flurry of rallies, scuffles and candlelight vigils marked the day, the 65th anniversary of Japan's invasion of China.

Britain called for calm in its colony, saying things could run out of control unless passions were dampened.

But an evening drizzle failed to dampen the passions of up to 8,000

people who ignored the rain to join a candlelight rally on Hong Kong's Tsim Sha Tsui district in Kowloon.

Pro-Taiwan Chinese Nationalist veterans took center stage for a while, waving Taiwanese flags and drawing loud applause from the candle-waving throng seated on the concrete ground against the backdrop of Hong Kong harbor's high-rise skyline.

Sept. 18 is a painful date in the Chinese memory because the invasion of northeast China marked the start of a 14-year military occupation by Japanese forces, accompanied by a string of war atrocities against millions of Chinese civilians.

Hong Kong, a British colony due to revert to China on July 1, was occupied by Japan from 1941 to 1945.

Anti-Japan protests have grown steadily over the past month, sparked by Japan's renewed claim to the East China Sea islands that China calls the Diaoyus and known in Japan as the Senkakus. Both countries say the islands have been theirs for centuries.

Earlier there were violent scuffles in a Japanese department store in the shopping district of Causeway Bay as protesters shouting for a boycott of Japanese goods invaded the shop and clashed with workers and security guards.

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EUROPE

# France Will Prosecute Ex-Minister for World War II Crimes

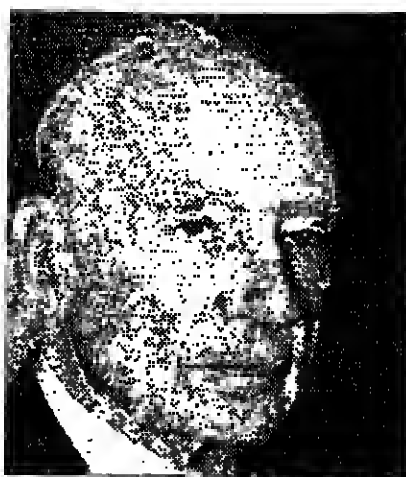
By Anne Swardson  
Washington Post Service

PARIS — A former French cabinet minister was ordered Wednesday to stand trial for the deportation and deaths of 1,691 French Jews during World War II. Maurice Papon, 86, is only the second Frenchman to face trial on charges stemming from the pro-Nazi Vichy regime's collaboration in the extermination of Jews. His trial is expected to focus national attention on the complicity in the Holocaust of many in wartime France.

Mr. Papon has been fighting the charges for 13 years, and his lawyer said he would appeal the ruling, delaying his trial for as much as another year. But the decision by an appeals court in Bordeaux to send him to trial was hailed by French Jewish organizations and Nazi hunters as another sign that France is coming to terms with its Nazi collaboration.

"French justice has shown it does not want to forget what happened," said Arno Klarsfeld, a lawyer in the case and the son of the Nazi-hunter Serge Klarsfeld. "It's exceptional that democracy is facing its task this way."

Prosecutors have portrayed Mr. Papon as a cold-blooded bureaucrat who was willing to kill to get ahead in his job. But Mr. Papon says he is innocent, and has defended himself as a "powerless spec-



Mr. Papon, in a 1991 photograph.

tator" who simply followed orders.

Of the four Frenchmen who have been accused of crimes against humanity for their actions against Jews under the Vichy government, Mr. Papon achieved the greatest professional success after the war. He was budget minister in the 1970s under President Valéry Giscard d'Estaing and was Paris police chief in the late 1960s.

The only other Frenchman to be tried for crimes against humanity was Paul

Touvier, a former militia chief who was convicted of the killings of seven French Jews. He died in July while serving a life sentence in prison.

Another, the former Vichy police chief Rene Bousquet, was killed in 1993 by a publicity-seeking gunman shortly before a decision was rendered on whether he should be tried for the deaths of 200 Jews. A fourth Vichy official, Jean Leguay, died in 1989 before his case could be considered.

Only in the 1990s has the country started to consider seriously a wealth of historical evidence about how many officials of the Vichy regime carried out their orders with regard to French Jews.

President Francois Mitterrand, toward the end of his term and his life, admitted that he had been a functionary in the Vichy regime and as president had tried to stall the trials of accused war criminals on the grounds that trying octogenarians did the country little good.

But last year, President Jacques Chirac acknowledged that France had played a role in the persecution of Jews during the war, and he apologized to the Jewish community.

The decision to try Mr. Papon was important for several reasons, Jewish organizations said. Unlike Touvier, Mr. Papon was not overtly anti-Semitic.

The son of a wealthy family and a

graduate of one of France's most prestigious schools, Mr. Papon was not an ideological murderer but a cold-blooded one, the groups said.

By accepting that he should be tried for complicity in arrests, sequestration, murder and assassination, the Bordeaux criminal court furthered the notion of moral independence, experts said.

The International League Against Ra-

cism and Anti-Semitism said the ruling made it clear "for the first time that justice would examine the responsibility of Vichy and its functionaries, an independent responsibility assumed consciously and not just under the pressure of the occupying Nazis." Another reason why Mr. Papon's trial is relevant to France today, Jewish groups said, is the perceived spread of racism in the country. Jean-Marie Le Pen,

head of the extreme right National Front, said recently that he believed that the races were biologically different.

In an oblique reference to that remark, the umbrella organization for French Jewish groups said Wednesday that at a time when "there is an open resurgence of the themes of differences of race," the decision to try Mr. Papon "recalls the respect of the principle of equality."

## Italian Police Search Separatist Offices

Reuters

MILAN — Police searching for evidence of alleged anti-constitutional activities entered the headquarters of Italy's separatist Northern League on Wednesday, reporters and league officials said.

They said detectives entered the reception area of the building here and forced aside three Northern League members of Parliament, including Roberto Maroni, the former interior minister, who tried to block them.

The police spent several hours outside the building, where Mr. Maroni and other league officials had con-

tested the validity of a search warrant. The warrant was among several issued by a prosecutor in Verona who is investigating alleged criminal attempts to undermine the unity of the state by three organizers of the league's self-styled "green shirt" security squad.

League offices elsewhere and homes of members were also searched on Wednesday. Calls for legal action against the league have grown since its leader, Umberto Bossi, proclaimed a northern "republic of Padania" in Venice on Sunday.

Meanwhile, President Oscar Luigi Scalfaro told Parliament on Wednes-

day not to underestimate the discontent of northern Italians even though Mr. Bossi failed to draw big crowds at his secessionist rallies.

"Let us not make the mistake of thinking that now that the demonstrations are over, the question is closed," Mr. Scalfaro said in his message.

He condemned secession as a "sad theory" but said it would be dangerous to ignore "the malaise behind such discontent." He urged the legislators to display "the broadest political will" as they begin to debate constitutional reforms that are expected to include a new federal structure for Italy.

### BRIEFLY EUROPE

#### Pontiff to Begin French Tour

VATICAN CITY — An ailing Pope John Paul II returns Thursday to France in a test of both his stamina and his ability to rally his followers.

The four-day tour is the 76-year-old Pope's first trip since the Vatican announced Sept. 14 that he will have surgery, possibly in the next few weeks, to treat a recurring appendix inflammation. His doctor said there was no sign that an intestinal tumor, removed in 1992, had returned.

When the Pope visits Tours, Reims and two Brittany shrines, the public will see a much slower version of the man who last came to France in 1988.

And the Pope will see a more vocal, challenging church in a nation that is 82 percent Catholic.

Hundreds of French Catholics have demanded that their names be scratched from baptism rolls to protest the Pope's opposition to abortion and birth control. Earlier this month a bomb was found near a crypt in a church in Brittany where the Pope is to pray Thursday. (AP)

#### Britain 'Discussing' Cattle Cull

LONDON — Prime Minister John Major said Wednesday that Britain had made no firm decision about scrapping or reducing a planned cull of 147,000 cattle to eliminate the threat of "mad cow" disease.

"We are in discussions with the European Union," he told BBC radio. "I think the European Commission and the European Union are on very shaky scientific ground in the way they are behaving at the moment."

Britain was unable Tuesday to persuade its partners and the commission to reduce the slaughter after a report by scientists from Oxford University showed that the disease, bovine spongiform encephalopathy, would die out within five years even without a cull. Mr. Major said that since the cull had been agreed upon more information about maternal transmission and human health hazards had become available that could lead to reconsidering the move.

"I can tell you we will not delay a decision and when we take the decision we will take it on the basis of public health, on the basis of common sense and in the interests of the beef farmer but there are still discussions to be had before that decision can be finalized," Mr. Major said.

Britain reluctantly agreed to the slaughter in exchange for a gradual lifting of a ban on exports of British beef and by-products imposed by the European Union.

The ban caused a serious rift between Britain and its European partners and resulted in Britain blocking EU business for several weeks on the orders of Mr. Major until the cull agreement has been reached. (Reuters)

#### Berlusconi Trial Is Resumed

MILAN — The corruption trial of former Prime Minister Silvio Berlusconi resumed in Milan on Wednesday after an interruption for vacation with a judge removing one of the politician's main co-defendants from the case.

Mr. Berlusconi, owner of the big media group Fininvest, which owns three Italian television networks, is accused of having bribed members of the Italian Financial Police in connection with tax inspections of companies belonging to his group. His trial started Jan. 7.

His co-defendant, General Giuseppe Cerciello, who was charged with accepting Fininvest bribes, was unable to testify as the trial resumed because of health problems. The presiding judge, Carlo Crivelli, then ruled that the general should be tried separately to avoid further delays in Mr. Berlusconi's trial.

Mr. Berlusconi's lawyer criticized the decision, saying that General Cerciello's presence was important because the defense planned to argue that the policeman extorted money from Fininvest. The indictment says that three Fininvest companies — Mediolanum, Videotime and Mondadori — and the pay-TV network Telepiu, which is 10 percent held by Fininvest, illegally paid the equivalent of \$240,000 from 1989 to 1994 to Financial Police members to avoid tax inspections. (AFP)

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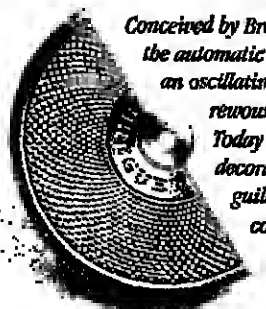
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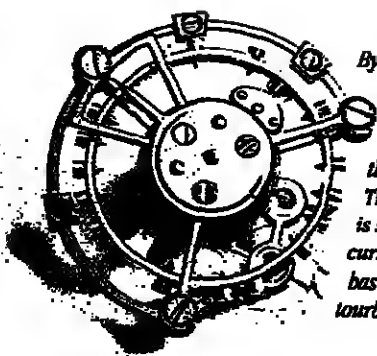
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## INTERNATIONAL

## Spiro Agnew, Disgraced Ex-VP, Dies

New York Times Service

NEW YORK — Spiro Agnew, 77, who was forced to resign in 1973 as the 39th vice president of the United States when he pleaded no-contest to a charge of income-tax evasion, died Tuesday in Berlin, Maryland.

Mr. Agnew, a Greek immigrant's son whose rise to high office had seemed to be an affirmation of the American dream, was nearly unknown outside his native Maryland when Richard Nixon chose him as a running mate in 1968. And Mr. Agnew might have been as little remembered as most vice presidents without the notoriety of his forced departure.

His political experience, before he won the vice presidency, included three years as an appointed member of the zoning appeals board in Baltimore County; four years as executive, the equivalent of mayor, of that suburban county, and less than two years as gov-

ernor of Maryland. He was chosen to make the nominating speech for Mr. Nixon at the 1968 Republican convention. After Mr. Nixon's easy first-ballot victory, it took 28 hours of intense debate to decide on Mr. Agnew to complete what became the most criminal presidential ticket in U.S. history.

The election campaign did little to polish Mr. Agnew's image, marked as it was by a series of gaffes. He spoke of Polish-Americans as "Polacks" and referred to a Japanese-American reporter as a "fat Jap"; he accused Vice President Hubert H. Humphrey, the Democratic candidate, of being "soft on communism," a comment that drew rebukes even from fellow Republicans. Although he was billed as the Nixon camp's urban expert, Mr. Agnew disdained visits to ghettos, saying, "If you've seen one slum, you've seen them all."

A few months into his first term, Mr. Agnew began to speak out on broader

themes. There was his attack on the "tiny and closed fraternity of privileged men" who packaged and delivered television news. Then he assailed newspapers, specifically The New York Times and The Washington Post.

In attacks on the news media and on critics of Mr. Nixon's Vietnam War policies, Mr. Agnew used such phrases as "nattering nabobs of negativism," "effete corps of impudent snobs," "pusillanimous pussyfooters" and "hopeless, hysterical hypochondriacs of history." Some of these abject allusions and alliterations were crafted for him by William Safire, his speechwriter.

The vice president had found an audience and by early 1970 there were "God Bless Spiro Agnew" posters and "I Like Spiro" bumper stickers. A Gallup Poll showed him to be No. 3 in popularity among Americans, after President Nixon and Billy Graham, the evangelist.

Although he was becoming increasingly controversial, he had no difficulty staying on the ticket in 1972 and was clearly beginning to position himself for a run for the presidency in 1976. Then in February 1973 came the first indications of trouble: A grand jury in Baltimore was looking into his affairs.

Mr. Agnew tried to keep the case out of the courts and place his fate in the hands of Congress, where he might hope to influence the outcome of an impeachment procedure.

Meanwhile, his attorneys bargained with the U.S. attorney's office, hoping for a compromise. On Oct. 10, 1973, this letter from Mr. Agnew was delivered to Secretary of State Henry Kissinger: "I hereby resign the office of vice president of the United States, effective immediately."

As it was delivered, Mr. Agnew stood in a federal courtroom in Baltimore, listening to his lawyers lodge a plea of no contest — the judge reminded him that this was the "full equivalent" of a guilty plea — to charges of failing to report and pay taxes on income he received in 1967, when he was governor of Maryland.

In return, federal prosecutors agreed not to seek his indictment on allegations of kickbacks and bribery.

A 40-page summary of the evidence against him was submitted to the court and made public. It detailed how, from his time as Baltimore County executive to his years as vice president, he took kickbacks and payments from people who wanted government business.

Mr. Agnew denied the allegations, but the evidence and the testimony of four witnesses were overwhelming.

He was given three years' probation and fined \$10,000. With all but his most ardent partisans, he was discredited.



Mr. Razali, left, being given a congratulatory hug by Mr. Boutros Ghali as Mr. Freitas do Amaral looked on.

## 60 Seized in FBI Sting Against Cargo Thieves

By John Sullivan  
New York Times Service

NEWARK, New Jersey — In what they called their largest undercover operation to recover stolen property, FBI officials have arrested more than 60 people and recovered \$38 million in merchandise stolen from trucks and warehouses in the New York City region.

Federal officials estimated that \$1 billion worth of consumer goods are stolen each year from cargo shipments in New York and New Jersey.

The region, they said, has one of the nation's largest concentrations of shipping, by air, rail, road and sea.

Most of the arrests were made Tuesday in raids by more than 100 federal, state and local officers up and down the East Coast. The suspects included both individuals and small rings, officials said.

To learn how the thieves operated, the FBI and the New Jersey State Police established a force to spot professional cargo thieves, who prey on warehouses and truck shipments. As part of the effort, federal agents opened an undercover business in Garfield, New Jersey, called B&B Wholesale, to pose as a large-scale "fence," or buyer of stolen goods.

"We leased a warehouse and put the word out that we were interested in

stolen merchandise," said Barry W. Mawn, the special agent in charge of the Newark FBI office, as he explained the sting operation. "We were not the only one, but we were a major fence for stolen goods."

The federal agents operated B&B Wholesale for 19 months and bought material stolen from Virginia to Maine.

"They would come in and tell us they had a stolen load and we would negotiate a price," Mr. Mawn said. "They would like to get 50 percent of the value, but we would pay them a lot less."

In fact, he said, agents paid only three cents for each dollar of merchandise they recovered.

Mr. Mawn said information from the state police allowed agents to focus on major thieves, like a gang of Peruvian citizens who were charged with truck thefts along the Eastern Seaboard.

He said the undercover operation avoided hijackers because of the violent nature of the crime.

The thieves used a variety of methods, federal agents said.

In some cases, they would simply steal trucks parked at diners or highway rest stops.

In others, a thief with a truck would drive into a storage lot, hook up to an unguarded trailer and drive away with the stolen load.

## Uncertainty Dogs UN's 51st Session

Organization Frets Over Finances and a Successor to Boutros Ghali

By Barbara Crossette  
New York Times Service

UNITED NATIONS, New York — Its difficult 50th birthday party over, the United Nations has opened the 51st session of the General Assembly without ceremony, in financial crisis and with no idea who its secretary-general will be when this session ends Dec. 23.

"The United Nations General Assembly begins its 51st session without celebration," said the Assembly's new president, Razali Ismail of Malaysia, in his opening speech Tuesday, "but amidst criticism of the UN's inability to respond adequately to international crises."

Mr. Razali, an outspoken diplomat who has represented Malaysia here for eight years, said that in this environment, he hoped the "business as usual" syndrome would disappear.

"Delays and long lunches which lead to more delays, at enormous cost, are over," he said. "So too, I trust, the torture of long, unfocused speeches."

A high point of this annual meeting of leaders of 185 nations will come next Tuesday, when President Bill Clinton plans to be the first to sign a treaty banning all nuclear explosions. His administration has been pressing for the treaty, which was approved by 158 countries a week ago, for the last three years.

Otherwise, this year is not such a good time to be a U.S. diplomat or official at the United Nations.

Washington is responsible for more than half the \$2.8 billion debt owed to the organization.

The U.S. Congress has attached conditions to American participation in peacekeeping and other international activities.

Republicans and Democrats alike are demanding that Secretary-General Boutros Boutros Ghali step down or be removed by a U.S. veto.

"It is great to be back from vacation," Mr. Boutros Ghali said with a touch of dark humor at a lunch Tuesday. "Frankly, I get bored on vacation. It's much more fun to be at work here blocking reform, flying my black helicopters, imposing global taxes, demoralizing my staff."

When the 50th General Assembly opened a year ago, there were high hopes that the anniversary would spur change.

Working groups representing a range of member nations were set up to look at changes in the organization's component parts and financial status.

In recent days, however, committee after committee has reported no real progress because of disagreements among member countries. Only the Secretary-General, the permanent civil service, has

taken steps to cut back on its size and spending.

Changes in the Security Council seem a dead or dying issue because most nations rejected the proposal backed by the Clinton administration to add Germany and Japan to the Council as permanent members and make room for some major developing nations without the same privileges.

There are no substantive plans for overhauling the General Assembly, now a plodding agglomeration of special interests grown to three times its size since the United Nations was founded in 1945.

Much of the spending and duplication of efforts for which the United Nations is criticized originate in Assembly resolutions.

"Member states have announced they would reform the organization, but now they must deliver," said Diogo Freitas do Amaral, the Portuguese law professor and political leader who was president of the 50th Assembly. "The world expects this. The issues cannot just be endlessly debated. There must be action. And there must be action soon."

Mr. Razali, the new Assembly president, picked up the theme, saying the "reform process must begin with finding a political consensus on what the UN should be and what it can do."

## BOOKS

## MARX, DECEASED

By Carl Djerassi. 218 pages.  
\$21.95. University of Georgia Press.

Reviewed by  
George Garrett

GENERALLY speaking, novels about writers, even when produced by very good writers, leave a lot to be desired. True, but what if the very good writer also happens to be a world-class scientist, demonstrably skilled as a storyteller and also, in keeping with his primary vocation, a master of clarity, efficiency, and, why not, an admirable, unrepentant sense of humor?

I am thinking, of course, of Carl Djerassi, father of "the Pill," honored and benedictioned professor of chemistry at Stanford University, author of 10 books, four of

them works of fiction and one a collection of poems. That he has been able to create fiction out of the lives of scientists and the ways and means of contemporary science, most recently in "The Bourbaki Gambit" (1994), is not surprising; but that he is able here and now to present a knowing and satirical, at times farcical, account of the lit biz and the contemporary literary scene, full of life and energy and laughter, fun and games, proves to be as satisfying as it is astonishing.

In the "Preface" to "Marx, Deceased," which acts, in fact, as an integral part of the structure of the story, Djerassi proposes an explanation and a hypothesis which the novel then proceeds to test: "Most writers also display a need for approbation by their peers. Novelist Stephen Marx's preoccupa-

tions with his own image is not very different from describing a scientist's hunger for peer validation. In each instance, that urge is both the nourishment and the poison of a creative mind."

Near the end of the novel, Djerassi's central character, the all-too-credible novelist Stephen Marx, offers a definition of fiction that applies to this novel as well as to his own works.

"To me," he asserts, "the ultimate truth is fiction. In ancient Greece, whoever lawyers met after some interesting case, they teased each other with 'What if that had happened?' 'What if he had done...?' 'What if...?' Supposedly, that was the origin of fiction. In any event, that is how I write."

The essential "what if" of "Marx, Deceased" follows from a plan by Stephen Marx, prize-winning and bestselling author of 13 books, to find out how he really stands in the literary world by disappearing in such circumstances (a faked sailing accident) that he will be reasonably presumed to be dead.

The story is built around the interaction of himself; his wife, Miriam (who is clueless), the author of a metafictional cookbook, some of whose soufflé recipes, complete with a warning to unwary readers to proceed with caution, are printed in Chapter 20; critic and rival Noah Berg, who has plausible personal reasons for wanting to ruin Marx's reputation; and an attractive and persistent young journalist, Sabine Diehlendorf, who is not on the trail of the factual "truth."

Once under way, the omniscient story allows their complex relationships to shift and change in ritual patterns like a Restoration comedy. The story cuts back and forth among these four as the plot neatly plays out its full deck of possibilities. I can't tell you what happens without spoiling things.

It is sufficient to report that "Marx, Deceased" moves quickly and gracefully and

becomes a classy, easy-reading page turner, light of heart and bright of mind. The picture of the publishing scene is, alas, accurate and as up-to-date as this week's Publishers Weekly. Add to this the pop, crackle and snap of some very lively dialogue and a superior sense of place — New York, San Francisco and the high-ski country of the Sierra are deftly evoked — and you have a literary novel to be reckoned with.

Carl Djerassi's fiction thrives on what critics a generation ago called "tension" — opposing if not wholly contradictory forces at work in the showing and telling, which create a kind of dramatic clash between form and content.

In this novel there is an extra little turn of the screw. The straightforward and accessible "popular" manner, usually associated with commercial fiction, modestly disguises the more subtle tropes of a work of postmodern metafiction.

From the "Preface" on, the author is an active participant in the story and clearly has many things in common with his protagonist. Stephen Marx's most recent novel, "Cohen's Dilemma," sounds like a cross between Djerassi's "Cantor's Dilemma" and "The Bourbaki Gambit." Both author and character express admiration for the novelist Thomas Berger, who receives more than one tip of their hats and who has the last word in this novel: "My real life is unbearable to me unless I can escape from it into fiction."

Some early reviews have chided Djerassi for not going deeper into motivation and character. Such quibbles miss the point: The mind behind "Marx, Deceased" is more than the mental sum of many novelists. He knows the world too well to take it too seriously.

George Garrett, whose latest novel is "The King of Babylon Shall Not Come Against You," wrote this for The Washington Post.

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INTERNATIONAL



Palestinians throwing Israeli goods in Gaza to protest Israel's ban on Palestinian wares.

## Israel-Syria Tension Eases

Leaders Send Calming Messages Through U.S.

**The Associated Press**  
**JERUSALEM** — After days of escalating tension over Syrian troop movements, Israel and Syria have exchanged messages aimed at restoring calm, a top aide to Prime Minister Benjamin Netanyahu said Wednesday.  
 Israel's Yedioth Ahronoth newspaper said President Hafez Assad of Syria sent a message through the United States that troop movements in the Bekaa region of Lebanon and near the Israeli-controlled Mount Hermon on the Golan Heights were defensive, not offensive.  
 David Bar-Ilan, Mr. Netanyahu's communications and policy planning adviser, said Israel and Syria had both sent calming messages through the United States.  
 Several thousand of Syria's 40,000 troops in Lebanon have been moved since mid-August. Military convoys have headed out of Beirut nightly, moving toward the strategic central mountains and possibly into Syria, according to residents near the Lebanese capital.  
 Israeli observers have been particularly concerned by the deployment of troops in the Bekaa and at the base of Mount Hermon, the site of

key Israeli reconnaissance stations.  
 The Ha'aretz newspaper said Wednesday that an Israeli intelligence assessment found that chances of war with Syria had increased, although there were no signs it was imminent. Senior intelligence experts have informed Mr. Netanyahu that Syria could try a pinpoint strike or attempt to seize an Israeli Army base on Mount Hermon, Ha'aretz said.  
 Mr. Bar-Ilan called the Ha'aretz report "nonsense."  
 Tensions have grown since Mr. Netanyahu took office in June. Mr. Netanyahu has said he does not want to return the Golan Heights, a strategic plateau Israel seized in 1967, in exchange for peace with Syria. Israel's previous government had indicated it would do so.  
**West Bank Homes**  
 Israel announced Wednesday that it had approved construction of 1,800 new homes for Jewish settlers in the West Bank, the biggest boost to settlement expansion yet by the rightist government, Agence France-Presse reported from Jerusalem.  
 The new apartments are slated for construction in the

## Fleeing Iraqis at Border Hope for U.S. Aid

By Kelly Couturier  
 Washington Post Service

**ZAKHO, Iraq** — About 200 terrified members of the CIA-backed Iraqi National Congress have made their way to a deserted casino on a hill overlooking Zakho, near the Turkish border, hoping against hope for help from the U.S. government in getting out of Iraq.  
 Sitting on the ground outside the casino around large platters of beans, rice and potatoes, several in the group told visiting journalists that they were "anxiously awaiting the Turkish government's agreement" to let them enter the country.  
 But with no plans by the U.S. government to accept them as refugees and no plans by Turkey to let in refugees, they and another 110 in hotels in Zakho appear to be stranded.  
 "We hope the Americans will give us a hand," one of them said. "There is no safe place anymore in Kurdistan."  
 The American government on Monday wrapped up a carefully planned and executed evacuation of local employees of U.S. military and disaster-relief operations in northern Iraq.  
 But it left behind hundreds of other Iraqis who had links to the Iraqi National Congress, a U.S.-financed and encouraged anti-government organization, and who say they are in danger now because of those ties.  
 The Iraqi National Congress members fled Arbil and surrounding towns Aug. 31 after President Saddam Hussein's Iraqi Army assisted one Kurdish faction, the Kurdistan Democratic Party, headed by Massoud Barzani, in overthrowing a rival faction, Jalal Talabani's Patriotic Union of Kurdistan. After holding up for a time in Salah ad

Din, near Arbil, they made their way here, only 10 miles from the Turkish border.  
 The two Kurdish organizations were the mainstay of the Iraqi National Congress while it operated unhindered under a protective air umbrella. Operation Provide Comfort, maintained by the United States and its allies.  
 But with Iraqi security forces back in northern Iraq in Mr. Barzani's wake, the Iraqi National Congress employees gathered here fear they will be targets of Iraqi retribution.  
 There is reason for their fear: About 100 were reported executed after Arbil fell to Mr. Barzani's Iraqi-allied forces.  
 Soldiers from Mr. Barzani's group stood guard at the casino, along with one or two armed congress members. Moreover, several in the group said they had seen a vehicle full of Iraqi secret police in Zakho.  
 "We can recognize them," one man said.  
 Sleeping on mattresses they have carried with them on their flight, the refugees in Zakho—who include several women and children—say they have enough supplies to last only two more days.  
 When asked what they planned to do after that, one of them said, "We will stay here and ask the international community to find a solution to our problem."  
 So far, however, they have had little contact with anyone outside Iraq, not even apparently with their group's leaders, who were able to flee Arbil.  
 The Iraqi National Congress members are by no means the only Iraqis in Zakho who are feeling abandoned by the Americans and desperate to get out of Iraq.

Hundreds of local employees of nongovernmental humanitarian organizations here that worked on contract for the U.S. relief operations in Zakho are begging for help to leave. They also fear that their association with the American organizations has made them targets of the Iraqi secret police.  
 "We are all scared," said an Iraqi employee at Shelter Now International, a Zakho-based group that has worked on a contract basis for the U.S. Overseas Foreign Disaster Assistance agency.  
**Barzani Meets U.S. Official**  
 Mr. Barzani held talks in Turkey with a senior U.S. official Wednesday on the altered power balance in northern Iraq, Reuters reported from Ankara, citing a source close to the talks.  
 The source said Mr. Barzani met Robert Pelletreau, assistant secretary of state of Near Eastern Affairs, for several hours in Ankara.  
 The source described the talks, billed in advance as a tough session, as "very successful," but gave few details. He said a British diplomat and Turkish officials were present as observers.  
 Washington had been expected to try to dissuade Mr. Barzani from further cooperation with Mr. Saddam in a bid to pick up the pieces of its shattered policy on northern Iraq.  
 "The Americans will want assurances that Saddam will not take over northern Iraq," a Western diplomatic source said before the meeting started.  
 A Kurdish Democratic Party spokesman said Mr. Barzani planned to tell Mr. Pelletreau that his alliance with Baghdad was only temporary and that he wanted the Western allies to continue their operation to protect the Kurds from Mr. Saddam.

## EU Chief Pleads for Progress in Reform Talks

By Tom Buerkle  
 International Herald Tribune

**BRUSSELS** — The president of the European Commission appealed to the bloc's leaders on Wednesday to intensify negotiations on EU reform, saying the lack of progress so far threatened to delay the Union's plans to enlarge into Eastern Europe.  
 In the bluntest assessment yet of the six-month-old intergovernmental conference on EU reform, the commission president, Jacques Santer, said there was "a question mark over the commitment of all the member states to face the problems squarely and move forward."  
 Mr. Santer, in an address to the European Parliament in Strasbourg, called on the Union's leaders to give the reform talks "a decisive boost" when they review progress in the conference at a special summit meeting in

Dublin on Oct. 5. In particular, he warned against the temptation to postpone a resolution of the thorniest questions — institutional issues such as whether to increase the influence of bigger EU members and whether to restrict the ability of single members to veto common policies.  
 The Union's plans to accept as many as 12 new members from Eastern and southern Europe in the next decade "will come to nothing if the conference does not provide a solution to the institutional challenges posed by enlargement," Mr. Santer said.  
 The warning reflects widespread concern over the talks, which are intended to conclude by next June. The sessions so far have aroused divisions over power-sharing between small and large countries, and produced competing demands for EU action on everything from unemployment to fighting child abuse.

France and Germany have become alarmed enough to promise a joint initiative, probably in November, to jump-start the negotiations.  
 But although the lack of progress is apparent, many officials said that serious negotiation will only begin much closer to the deadline, especially given the uncertainty over who will sit in the British chair after the general elections that are due there by May.  
 Mr. Santer's appeal came during the European Parliament's annual debate on the state of the Union, which most agreed was not good.  
 There were widespread laments about Europe's failure to get many of its 18 million jobless back to work and the lack of common action against international crime and drug trafficking.  
 Klaus Hansch, president of the Parliament, said public enthusiasm for European integration was flagging because the Union "has nothing to

say on the big issues facing Europe's society at the close of the century."  
 One exception to the gloom, however, was Europe's planned single currency, a lightning rod in the past for economic-policy arguments that has taken on the air of a fait accompli.  
 Prime Minister John Bruton of Ireland, which holds the Union's rotating presidency, said the Euro would eliminate exchange-rate risk, foster trade, tourism and investment and "help to reinforce a real European identity transcending national boundaries."  
 In Dublin, the Irish finance minister, Ruairi Quinn, predicted that a meeting of EU finance ministers and central bank governors on Saturday would keep the bloc on track to resolve the last major technical issues for a single currency, including a stability pact to limit budget deficits and a new exchange-rate mechanism tying the Euro to nonparticipating currencies.

## Perry Defends Gulf Officers Over Bombing

**WASHINGTON** — Defense Secretary William Perry, weighing in to defend his military commanders, said Wednesday that he "alone" bore responsibility for security lapses that allowed a terrorist bomb to kill 19 American troops in Dhahran, Saudi Arabia, in June.  
 In testimony before a congressional committee, Mr. Perry said that terrorism had become a major threat to U.S. forces abroad, and he announced sweeping changes in the Defense Department to better cope with the danger.  
 But as Republican lawmakers sought to assign blame for the failure to ensure the safety of U.S. troops at the Khobar Towers housing complex, Mr. Perry stressed that he supported the officers in command of troops in the Gulf.  
 "To the extent that this tragedy resulted in a failure in leadership, that responsibility is mine and mine alone," he told the House National Security Committee.  
 "I will not seek to delegate responsibility for this tragedy on any of my military commanders," he said. "They have served our country with enormous distinction and considerable sacrifice. They deserve our gratitude, not our blame."  
 An official inquiry into the bombing concluded Monday that senior commanders, including Brigadier General Terry Schwallier of the air force failed to protect the troops at Khobar Towers.



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## News For Simpson Is Mostly Bad As His Civil Trial Gets Under Way

By Carey Goldberg  
 New York Times Service

**LOS ANGELES** — The first day's results indicate that O. J. Simpson's civil trial will be run in a drastically different manner from the criminal one.  
 Signaling that he will run a tougher courtroom than his predecessor in the criminal trial, a judge opened the proceedings Tuesday with rulings crimping the defense strategies that helped win Mr. Simpson an acquittal last year.  
 Judge Hiroshi Fujisaki ruled that Mr. Simpson's defense team could not use their opening arguments to paint Mark Fuhrman, the Los Angeles police detective who provided critical evidence in the case, as a racist who might have framed their client; that the defense had to provide specific evidence of other killers if it wanted to cite the possibility that they existed; and that the defense could not undertake a generalized attack on police techniques for handling evidence.  
 "There's a legal standard you have to live up to," Judge Fujisaki told the defense, referring to accusations that the police had planted evidence.  
 The defense will also be given less leeway to argue that Mr. Simpson had been framed

by racist and negligent police, and to put forth alternative theories about the killings as drug-related slayings.  
 Mr. Simpson was found not guilty last fall of the killings of his former wife Nicole Brown Simpson and her friend Ronald Goldman, and is now on trial in a wrongful-death action brought by the victims' families.  
 In cutting through more than 30 motions by lunchtime, the judge also ruled that the plaintiffs could present

two police reports in which Mrs. Simpson accused her husband of violence.  
 The day largely went against Mr. Simpson, although the judge said his lawyers could argue that specific items of evidence held in the police department's crime laboratory may have been contaminated. But the judge warned the lawyers against making general claims about the police's investigatory efforts, saying that the police department was not on trial.

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## EDITORIALS/OPINION

# Herald Tribune

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## Let Perot Back In

The Commission on Presidential Debates was established in the late 1980s as a nonpartisan group with the sole purpose of sponsoring debates among the major American presidential candidates. But by deciding on Tuesday to exclude Ross Perot from this year's debates, the commission proved itself to be a tool of the two dominant parties rather than a guardian of the public interest.

This commission has no legal standing to monopolize debates, and it is time for some more fair-minded group to get into the business of sponsoring these important events.

Of course, a popular outcry could still inspire the commission to change its mind. In the absence of that, the campaigns of both Bob Dole and Bill Clinton can show their good faith by agreeing to invite Mr. Perot in spite of the commission's arrogance and weak thinking.

For now, President Clinton favors having Mr. Perot in the debate, and Mr. Dole does not. Neither candidate is acting out of anything other than self-interest. The Republican nominee has decided that Mr. Perot would inhibit his attacks and split the anti-Clinton vote. For some reason, the Democrats on the commission went along with Mr. Dole, even though the White House would be happy to see a repeat of the three-way division that gave the Democrats a plurality victory in 1992.

But the public's interest lies with the principle of inviting anyone with a credible national campaign to debate. Mr. Perot deserves the chance because he got 19 percent of the vote in 1992 and has been allotted nearly \$30 mil-

lion in federal funds based on that showing. Unlike other third-party candidates, he meets a crucial test in being on the ballot nationwide and having significant popular support.

The commission, defending its decision to exclude Mr. Perot, cites his standing in opinion polls as evidence that he has not mounted a credible campaign. All that shows is that being on a political commission is not the same thing as being a political thinker.

To use a polling snapshot to deprive a candidate of the standing he earned at the polls in a previous election is a perversion of public opinion science. Moreover, it preempts the right of voters to first see a campaign between qualified competitors and then decide the final ranking. This commission has decided that that venerable process has less validity than a few thousand phone calls by opinion pollsters. In any event, these polls show that most voters want Mr. Perot in the debate, whether or not they plan to vote for him.

We have not hesitated to state the occasions when we found Mr. Perot to be wrongheaded, silly and selfish. But the man from Texas has put together a bona fide presidential campaign, and he has been cheated outrageously by the commission, headed by Paul Kirk, a former Democratic Party chairman, and Frank Fahrenkopf, a former Republican chairman. They and the eight other members have honorable records of public service. But they did a bad day's work on Tuesday in barring Mr. Perot from the first debate, and they have an obligation to the nation's voters to undo it right away.

—THE NEW YORK TIMES

## The Bundy Account

McGeorge Bundy was widely known as one of the elite confident advisers who helped two presidents sink ever deeper into the morass of the Vietnam War. His name is inextricably linked to the costly and bitter defeat whose aftereffects resonate in American life to this day. As national security adviser to Presidents John Kennedy and (until December 1965) Lyndon Johnson, Mr. Bundy, who died on Monday aged 77, earned his measure of this burden.

And yet this was not the full measure of the man. Mr. Bundy came to his White House post with a rich preparation of high competence and of a family and class ethic of service. As much as anyone, he invented the policy machinery intended to enable the president to make the national security choices requiring executive decision. But he did not only run the machinery. He shared in making explicit and operative the national moral and political purposes of foreign policy.

The American role in the Vietnam War, for all its squalor, was no accident. It arose from the deepest sources — the deepest and most legitimate sources — of the American desire to affirm freedom in the world.

Some two years after leaving the White House, Mr. Bundy, always loyal and discreet while he served presidents, went public with the view that the costs of the war — not least a count of American dead that was to reach 58,000 — exceeded any reasonable expectations of gain. Or, in the parlance of the day, he came out "against the war." And so he did. Many did, including President Richard Nixon, to whom it fell to end the direct American involvement.

A great deal of the debate on the war since then has centered on just when and how this broad retreat was consummated. Mr. Bundy was criticized for the relative tardiness and modesty of his turn. Meanwhile, he had moved to social reconstruction as a foundation president. He then wrote a Pulitzer-winning book about attempts to tame the nuclear bomb.

McGeorge Bundy was a man of privilege and tradition who found himself involved in a new sort of national struggle. His inherited notions of duty to country and power were tested against newer notions of popular sovereignty and dissent. He survived the clash, and came to make other contributions to his country.

—THE WASHINGTON POST

## Who's a Protectionist?

Some people will be hurt by free trade — and even by "fair trade," the more popular buzzword of the day. The Clinton administration, and previous administrations of both parties, have argued correctly that far more Americans will be helped. For consumers, trade brings a wider array of goods at lower prices; for producers, exports mean jobs and profit. Now on one trade issue there is a danger that the Clinton administration will forsake principle and some trade-policy credibility for short-term electoral gain.

The issue is tomatoes. Or rather, the issue is Florida's 25 electoral votes; tomatoes, one might say, are a carrot that the administration may dangle before Florida voters.

Florida agricultural concerns maintain that Mexico is "dumping" winter tomatoes into the U.S. market, driving Floridians out of business.

Unfortunately for the Florida farmers, evidence suggests that the problem resides in their tomatoes, not in unfair trade practices. Mexicans have learned to grow vine-ripened tomatoes hardy enough to withstand shipping and shelf time. Many Florida farmers still pick their tomatoes hard and then pump ethylene gas into them to accelerate ripening. These "gassed greens," as those not sympathetic to Florida's case call them, are perfect for fast-food restaurants (firm enough to slice by ma-

chine), but, not surprisingly, many shoppers prefer the "vine-ripes."

The Florida growers already have lost twice before the International Trade Commission. Now they are pushing congressional action — citing, among other rationales, U.S. "food security" — and they have an antidumping case pending before the Commerce Department.

Since Mickey Kantor, the secretary of commerce, has already expressed regret about the International Trade Commission decisions, and since the Commerce Department has cobbled together a case apparently designed to make the Mexicans look as bad as possible, there is concern about the objectivity of decision makers.

The Florida growers are certainly within their rights to bring an antidumping case. They are among the least subsidized of U.S. farmers, and President Bill Clinton did promise — so as to win Florida congressional support for the North American Free Trade Agreement — to protect them.

But it is also worth remembering that American farmers gain far more than they lose overall through trade. If the government appears to be fiddling with trade law to help one narrow sector, it will not help the U.S. case against agricultural protectionists elsewhere in the world.

—THE WASHINGTON POST

## Yes, Proceed With Caution in the Middle East

By Thomas L. Friedman

**NEW YORK** — When trying to assess the long-term implications of Saddam Hussein's recent "victory" in northern Iraq, keep in mind the following fact: The Kurds whom Saddam wooed away from the United States, and with whom he forged a partnership in an effort to reassert his authority in northern Iraq, are the same Kurds whom Saddam bombed with mustard gas and cyanide in 1988. This is not a relationship with a long future.

That is why it is reassuring to see the Clinton administration, belatedly, toning down its rhetoric, taking a deep breath and stepping back from the brink of all-out war against Saddam.

Yes, the new Kurdish-Saddam alliance is a setback for U.S. policy, but probably only a temporary one and certainly only a limited one. It does not change the fact that the United States has Saddam in a strategic box. Washington has no vital interest, no allies and no regional strategy that would justify now trying to break apart Iraq or single-handedly going to war against it.

The U.S. vital interests are to keep Saddam boxed in, to prevent him from threatening the oil fields in Kuwait and Saudi Arabia, to protect the Kurds from being savaged by Baghdad and to keep supporting efforts to unseat Saddam until one day someone dispatches him into the next world.

All those goals can be accomplished with the current basic U.S. force deployment. Saddam is a chronic rash — ugly, itchy, occasionally painful, but in his present condition no longer fatal, let alone worth radical, messy surgery with unpredictable results.

The Republicans, desperate to score some points against Bill Clinton, have been hyperventilating that he squandered the great Gulf War coalition. Nonsense. That coalition was held together by two things: oil and nukes. It was not a coalition to protect Kurds. It was not a coalition to take apart Iraq.

It was a coalition to protect the oil fields of Kuwait and Saudi Arabia from Iraqi attacks, and it was a coalition to prevent Saddam from developing nuclear weapons. That coalition still exists. But a coalition for doing more than that — like punishing Saddam for maneuvering in northern Iraq — never existed. The French, the Arabs, the Russians would never sign on to that.

So America acted alone. So what? That is the price of leadership. It is also why God created cruise missiles — for operations without allies.

The Clinton administration is also wise to stick to this limited approach because the United States has no larger vision or strategy for the Middle East, and neither does anyone else.

There is a strategic vacuum in the Middle East today. In 1991 the end of both the Cold War and the Gulf War, coupled with a new global emphasis on economic growth, gave the region a new agenda. That new agenda was crystallized in former Israeli Prime Minister Shimon Peres's vision of a "new Middle East," in which Arab-Israeli and Arab-Arab economic development and cooperation would replace confrontation.

The Peres vision was romantic, and everyone liked to poke fun at it. But it produced a moderate center in the Middle East and provided a strategic framework for much of what Israel, the Arabs and the United States were doing in the region. Everyone reacted to it. Some by opposing it, some by trying to modify it, some by trying to nurture it. Today the Peres vision is no longer the dominant trend. Yet it has not been replaced by any new vision or agenda. The Arabs have none. The new Islamic government in Turkey has none. And the Clinton administration has hung up an "Out to Lunch, Back on Nov. 6" sign.

In this vacuum, all the old rivalries and habits are reasserting themselves. There is an all-around free-for-all in the Middle East today. Syria and Israel were even reported mobilizing some troops on their common border. We haven't heard that story in years.

When you don't know where you are going, any road will get you there. Right now, no one in the Middle East seems to know where he is going, and everyone is on a different road. In such a moment, the United States would be wise to keep its policy toward Iraq simple and tightly focused. It doesn't have the allies, vital interests or road map for anything more.

The New York Times

## America Has a Bossy Habit of Having Things Its Own Way

By Jessica Mathews

**WASHINGTON** — Congratulations, says the letter, your country has been certified by the United States as having acceptable sea turtle conservation practices. You may continue to sell shrimp in our market.

"That's good, I suppose," struts the ambassador to whom the letter is addressed, adding with some bitterness: "I didn't even know we were being judged on sea turtles. Where does it end?"

Not with fishing. As self-appointed global monitor, the United States unilaterally judges environmental practices, human rights policies, anti-terrorism, the fairness of elections and the adequacy of anti-drug efforts — although its own elections are noteworthy for minuscule turnout and massive special-access money, and its efforts to shrink the world's largest pool of drug users have been strikingly ineffective.

Washington pushes a widening set of rules of international behavior and simultaneously claims a growing number of exemptions. It has made it a common practice to lead negotiations to a U.S.-defined outcome and then reject the result — human rights treaties, the Law of the Sea treaty, perhaps the Chemical Weapons Convention.

At the United Nations, the United States specifies financial and management reforms as the price of its support, and when they are adopted it moves the goalposts. U.S. nonpayment of dues violates a formal, legal obligation.

America expects a prominent role even when it decides not to play, as at the International Court of Justice, which includes American jurists although the United States rejects the court's jurisdiction.

Recently imposed secondary boycotts against Cuba, Iran and Libya are a practice Washing-

ton loudly condemned when it was used by the Arab states against Israel. The assertion of domestic legal jurisdiction outside U.S. borders infuriates America's closest allies.

Rather than debate, as we Americans have for years, how much multilateralism we can stand, the real question for U.S. foreign policy is how unilateral it can afford to be and still be effective and publicly supported.

One superpower, it turns out, is harder to swallow than two, especially when it counts Hollywood, McDonald's and CNN in its arsenal.

For anyone outside the United States, says former Canadian Prime Minister Joe Clark, a self-described friend of the United States, "it's pretty hard to persuade yourself that your destiny lies exclusively in your own hands. Not to put it too subtly, the stars and stripes are in your face — on your television, in your markets, on every question of foreign policy and many of domestic policy."

In your face or not, the world is lucky to have us. We have reason to expect special treatment. Without us there would have been no response to the invasion of Kuwait, no peace in Bosnia and no deal to halt North Korea's nuclear ambitions.

Europeans would have lifted the sanctions against Iraq long before its chemical, biological and missile programs were rooted out.

There would have been no bailout of the Mexican peso, and any number of nonproliferation, environmental and human rights standards would be a far cry from what they are today. Many fewer people would have tasted liberty.

But Americans should not kid themselves that others don't notice when U.S. leadership is oddly incomplete. In the Gulf

War and the North Korean deal, we spent other countries' money. In the percentage of wealth or per capita income that goes for aid, America ranks last among industrialized nations, and it is the only significant debtor at the World Bank. We are both a smaller piece of the global economy and less willing to spend what we have.

We are less willing to spend blood, too. As the margin of our military superiority grows, our willingness to accept risk has dropped. We shun any but U.S.-designed and U.S.-led peacekeeping, while our unpaid UN bills mean that poor countries who do commit troops go unreimbursed. Our military pre-

eminence means less to others than it used to because so few feel threatened.

Our rising demands on others, in fact, are uncomfortably matched to a smaller pool of leadership assets. Those Americans who make foreign policy have an undiminished — if not enlarged — sense of the need for the United States to decide everything from the conflict in Northern Ireland to the balance of power in Asia. This view is not shared by a public that overwhelmingly prefers international burden-sharing.

We are in the habit of asserting a rhetorical imperative for U.S. leadership that we don't intend to provide. It leads us into trouble and encourages others to sit back and wait for us.

What can only America do in the world? How much does it need others, and exactly what for? How much can it go its own way and still command support when it wants it from friends and allies? Is it too often, or too intrusively, the arbiter of global good conduct? Is its belief that only America can lead a self-fulfilling prophecy?

We don't so much need a new single idea to replace containment of communism as we do a consensus on a workable unilateralism tolerable to others and understood, supported and adequately funded by Americans.

The writer, a senior fellow at the Council on Foreign Relations, contributed this column to The Washington Post.

## Good News From Central Europe

By Donald M. Blinken and Alfred H. Moses

**BUCHAREST** — Hungary and Romania signed a treaty on Monday ending centuries of contention. It has the significance for Central Europe that French-German reconciliation had for Western Europe.

Rivalry between Hungary and Romania dates back at least a thousand years to the Magyar migrations from Central Asia.

These led to Hungarian domination of the Carpathian basin including modern-day Transylvania (now Romania), which was part of Hungary until 1919, when the Trianon Treaty ended 300 years of Austro-Hungarian dominance in the region.

Unfortunately, Trianon did not end the rivalry, and at the end of World War II Budapest found itself occupied by Romanian troops for the second time in this century.

The people of Romania and Hungary liberated themselves

from communism seven years ago, but their rivalry remained. Now, together, they are engaged in one final act of liberation, this time from the unresolved legacies of their own tragic and angry past.

The heart of the treaty reaches the heart of post-Cold War Europe's security challenges: reconciling the rights and responsibilities of minorities and majorities when peoples and borders don't match.

Bosnia is a brutal reminder of the power of ethnic hatreds, and of how important it is to defuse them before they explode.

The treaty requires both countries to protect the civil liberties and cultural identity of national minorities. Education at all levels is guaranteed by the state in the minority's native tongue, as is the right to use one's historic language in administrative and judicial proceedings in areas of minority concentration. The same goes for road signs, print and broadcast media and virtually every other aspect of communal life.

The test, of course, will come with implementation, but the overwhelming support for the treaty in both countries is reason for optimism.

Both sides are committed because they know that the treaty clears an important hurdle to an even more historic goal: integration with the West.

President Bill Clinton's January 1994 decision, embraced by America's allies, to open NATO to new members and partners, and efforts by the European Union to enlarge eastward have given every nation of Central Europe an incentive to strengthen democracy and improve relations with its neighbors.

Hungary and Romania have been active participants in the Partnership for Peace, the innovative U.S. initiative that has as one of its purposes to prepare NATO aspirants for eventual membership. Hungary hosts U.S. forces engaged in Bosnia. Troops from each country participate in Partnership for Peace exercises on the territory of the other and are serving in Bosnia.

NATO and the European Union have made clear that countries which have unresolved border disputes or are unable to respect international norms for the treatment of minorities need not apply.

The clear message of what is required for membership has moved Hungary and Romania to look beyond traditional boundaries and historical divides toward a new vision of a secure and prosperous continent no longer mired in the conflicts of the past. In this spirit, each commits itself in the treaty to support NATO and EU membership for the other.

By embracing those countries in Central Europe that show the will and the means to contribute to the stability and prosperity of the continent as a whole, the European Union and NATO can help bring an end to historic enmities based on ethnic, cultural and religious differences, including the historic divide between the West and the Orthodox East.

The example of Hungary and Romania may point to the end of a millennium of Central European history marked by perpetual conflict and human tragedies beyond counting.

The writers are the U.S. ambassadors to Hungary and Romania, respectively. They contributed this column to the International Herald Tribune.

## Let's Turn This Place Around

By William Raspberry

**WASHINGTON** — He will walk into the office of a high-powered lawyer with whom he has an appointment, then excuse himself. "Please take five minutes to look at these while I make a quick phone call."

He hands over a collage of some 100 newspaper headlines he has collected in the last two years, headlines recounting local Washington disasters: record-setting crime, political corruption, resurgent tuberculosis, closed schools, unsafe drinking water.

"When I come back, they are absolutely shaken," Ralph Nader told me the other day. "Which is the perfect setup for his pitch: Get involved."

It is downright startling to recognize the abdication of any commitment to this community by people who have the ability to get their calls returned," says America's leading consumerist and, well, not leading presidential candidate.

"These people who make a very good living from the city are living in another dimension" — a realm of private schools, exclusive clubs and psychic distance from troubled schools, mismanaged finances and political embarrassment.

Mr. Nader wants to close that distance, and, naturally, has an organization devoted to the purpose: D.C. Applesseed Center for Law and Justice, which he helped to found.

But first he has to get their attention, which is the reason for the headline collection.

"People are just not keeping the horror and deterioration of our city in mind. They hear the news,

one awful story at a time. Seeing 100 stories together changes their entire focus."

Then the challenge:

"I tell them they represent a failure of informed, committed democracy. People are not behaving as citizens in accordance with their power. Some guys with tremendous power, because they're big time lawyers, don't use that power for civic purposes. They are attorneys but not lawyers. That is, they zealously serve their clients, but they don't really serve the community where they make their money."

He thinks he knows at least a part of the reason why: The Plan. Many black Washingtonians have believed for years that there is a secret plan for white people to "take back" the city, politically as well as economically. Rather than be seen as part of such a scheme, many whites simply turned away from political involvement.

"Well, it doesn't inhibit me," Mr. Nader said. "This is my city, too, and more and more it's being run by people who have basically quit — and they know they've quit. It won't get better until the powers that be decide this is their community, too."

It's not about whites taking over, either. I see a lot of valiant people, most of them black, trying as hard as they know how to improve the schools, for instance, and they don't get support from these powerful citizens.

"It's as though we've di-

vided the city into two levels. Blacks, at the street level, control the politics. Whites, at the mezzanine level, control the economics and behave as though they don't see themselves related to the street part. That's what we've got to change."

It's a fascinating prospect. We are looking at two different cities: Washington, America's capital, seat of Congress and the administration, on the one hand, and D.C., hometown, on the other. It is an overgeneralization, but a helpful way of understanding the problem, to say that many of the most powerful white professionals live and work in Washington but feel no particular connection to D.C.

Mr. Nader wants to wipe out the distinction. "We at Applesseed are starting with lawyers, but we also hope to galvanize other professions. Doctors should be the trustees for the public health institutions and get involved in school lunch nutrition and immunization and such issues as lead-based paint."

"Nearly half of our children live in poverty — the highest rate in the nation. Shouldn't our affluent and influential citizens care about that? And it's not just a matter of money. If you have more justice, you need less charity."

If the mostly white professionals start to behave like local citizens, maybe the black professionals will bestir themselves beyond their present levels of involvement. And maybe, just maybe, we can start to turn this place around.

The Washington Post

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1896: Hints to Cyclists

**PARIS** — Mrs. Kilpatrick, the professional cyclist, has contributed to *Cycling World* some valuable hints to those ladies who are contemplating becoming votaries of the wheel. She says: "Great care must be taken in the selection of a wheel. A woman of average weight should not ride a wheel weighing over 20 pounds. A 30-pound wheel is too heavy for any woman, unless she is a monstrosity."

ferent couples doing 40 different things — no harmony, no grace, all higgledy-piggledy, extravagant, toddling, shuffling contortions. However, dancing is bound to come round all right and jazz disappear."

### 1946: Grisly Charges

**GUAM** — The war crimes trial recessed today (Sept. 18) to give the prosecution and defense time to prepare closing arguments on a charge of cannibalism — an offense so heinous that statutes covering it have been lost in antiquity. Vice-Admiral Kunzuo Mori, Lt. General Yoshio Tachibana and 12 other defendants are charged with offenses against U.S. prisoners of war on High Jimia early in 1945. The defense is expected to argue that removal of flesh or viscera from a body generally is recognized as a medical practice and is therefore not a crime.

### 1921: Jazz Out of Step

**NEW YORK** — "The day of silly toddlers is passing," declared Mr. R. W. Vizay, president of the American Society of Dancing Teachers. "The reason the waltz is out of date," he said, "is that there is no Strauss to compose a real one. When good music is composed, good dancing will result. It is common to see in any ballroom 40 dif-

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## OPINION/LETTERS

# Bob and Newt's Scheme To Kick the Brats Out

By A.M. Rosenthal

NEW YORK — With an exquisite sense of timing, Bob Dole has thrown his full political power behind an idea for easing overcrowding in American schools that is elegant in its simplicity: Take some of the brats and throw them out on their grumpy ears.

The kids selected for permanent expulsion are among those most needing schooling, but that is their problem, not Mr. Dole's. One important side benefit of making them ineligible for public education is that it will help end the sappy idea that we are our children's keepers.

Mr. Dole does not accuse these children of committing any offense themselves. But any fair-minded person has to admit that their parents did offend. They entered the country without proper papers and brought with them these kids — who in time were ready to learn to read and write. Now they are cluttering up our schools, and using up our chalk.

But with this initiative, a new philosophy would enter American life. With the legislation demanded by Mr. Dole and Speaker Newt Gingrich, in the fullness of their intellects and energy, America would have a new slogan to carve above its courthouse doors: "Visit the sins of the fathers upon the children."

The feasible benefits gladden before us, provided our legislators grasp them. If the 650,000 children of parents who have just committed the civil offense of illegal entry can be kicked out of school, or better, blocked from ever entering, then for heaven's sake what are we doing letting children of real criminals sit there, bothering teachers with questions and using our school toilets?

There must be a couple of million children, easily, whose parents are doing time for robbery, assault, mugging or drug-peddling. The money we could save by throwing these kids out could buy helmets for every high school football team in the U.S.A.

The child-ejection button is a Republican amendment in an immigration bill passed by the House. It works so: If children of illegal immigrants have already entered public school, they can stay only through the current level of the school they are now in — up

to the sixth grade for the little ones, for instance, and then out they go. Children already in junior high school can stay until they finish, but not go on to high school. Only grizzled kids now in high school can stay until they finish.

So, the amendment Dole wants has loopholes preventing states from throwing all the kids out tomorrow; they can be plugged later. But Mr. Dole's supporters in Congress have nailed down the essentials: States can totally block any advancing from one level of school to another, and from now on bar any more children of illegals from entering the school system at any grade.

Mr. Dole's timing shows he still is the master of all the tricks he learned in Congress. He swung into action when some ill-livered Republican senators said they would vote against the school-expulsion amendment. (Jack Kemp once stood against kicking the kids out, but he came out for it the day after Mr. Dole gave him the vice-presidential nomination. Some call him turncoat, but in a grown-up world what else are coats for?)

President Bill Clinton said he would sign the bill if it did not have the ejection clause. It would still be mean enough about immigrants and refugee asylum to win him credit in California and Texas, where you wouldn't believe how much blackboard space is used by children of illegals.

Now Mr. Dole insists that Republicans protect the ejection button when the legislation goes through final conference this week. That way, either President Clinton will have to go back on his word to veto ejection, or there will be no bill, no signing where he can swipe credit again!

There is a little drawback if this ejection button becomes part of the American education system. U.S. police chiefs say illegal children who are not entitled to work and cannot go to school will be drawn to crime. But if these illiterate thugs wind up in prison, you can bet that decent Americans like Mr. Dole won't allow any mollycoddling like teaching them how to read and write, which would be plain ridiculous after kicking them out of school when they were little kids using up chalk.

The New York Times.



Not to worry, dear - we'll all be happy together.

# The Home of Europe's Father

By Barry James

HOUJARRAY, France — The battered hat, the stick and the casual jacket are on the stand in the hallway as though the father of Europe were just about to step out for his morning walk.

Old copies of The New York Times, Time magazine and Le Figaro are strewn about the living room and the bedroom, along with notepads, a battered fountain pen and a couple of old-fashioned telephones — the tools with which Jean Monnet created modern Europe.

The European Union was conceived in this simple family home, with its thatched roof and an expanse of lawn that seems to merge into the rolling plains of the Ile de France.

"I go out rarely," Monnet said. "Those who want to see me come here."

And they came. Ministers, Ambassadors, Statesmen. Monnet was not a brilliant public speaker, but over a glass of brandy from his family firm and a good cigar, he was a formidable persuader.

Monnet, who died in 1979 and now lies in the Pantheon in Paris, was neither a civil servant nor a politician in the traditional sense. Baron Robert Rothschild, a Belgian diplomat, said he was "in a category of his own."

For most of his life, Monnet was driven by a simple idea: "Why should there be a border

beyond which I treat men differently from those on my side?"

Before World War II he was an international civil servant, as deputy secretary-general of the League of Nations, and a businessman — even, briefly, a millionaire.

His contacts in American banking made him a Washington in-

to begin forming a United States of Europe to save Europe and possibly the world from a return to the Dark Ages. He said that such a union would have to be based on a partnership between France and Germany, at a time when the two countries were barely reconciled enemies.

For the record, Monnet's war experience made him a keen supporter of British participation in a European federation. Without Britain, he said, "the concept of a unified Europe turns all too quickly into a Germanized Europe all over again."

Monnet headed the French economic plan after the war. He made himself unpopular by concentrating on the long-term aims of national reconstruction, with the eventual help of Marshall aid, rather than on relieving the nation's postwar poverty.

President Jacques Chirac faces a perhaps analogous situation today as he seeks to prepare France for membership in a European monetary union at the cost of austerity, high unemployment and social tension.

Monnet believed in action above theory. It was his plan for a European federal authority in coal and steel that laid the cornerstone for today's 15-nation European Union. He found support from three Europeans who all, appropriately, came from border regions — Robert Schuman, the French foreign minister, Chancellor Konrad Adenauer of Germany and Prime Minister Alcide De Gasperi of Italy.

As president of Europe's first High Authority, Monnet presented it as the Continent's "first government" and announced, "There is one point on which there will be no turning back: These institutions are supranational and, let us not shrink from the word, federal."

More than four decades later, Europe still is wrestling with this challenge. But in its complex web of institutions — council, commission, Parliament and court — the union fulfills his dream. People come and go, Monnet said, but institutions remain.

And for those who fret about Europe's ragged progress toward union, Monnet had a word of comfort. It was not necessary that every country reach the rendezvous at the same time. What was important, he said, was that they all be marching in the same direction.

International Herald Tribune.

## LETTERS TO THE EDITOR

### Goldhagen Responds

Regarding "In Germany, U.S. Scholar on Holocaust Admits Flaws" (Sept. 6):

The article from the Reuters news service is utterly misleading. I never said — or indeed in any way implied — that my book "Hitler's Willing Executioners" "has flaws." I never "simply agreed with some key objections" of critics. During the panel discussion in Hamburg and in five subsequent panel discussions, I defended my book's conclusions with unceasing vigor and emphatically restated its central arguments, which I have been given no reason to revise whatsoever.

In Hamburg, I agreed to something quite different, namely that if I had written a longer book — it is already more than 700 pages in German — I would have discussed certain themes more fully. I also stated that if I had

known in advance that certain aspects of my book would be so misinterpreted in Germany, I would have tried to evolve a vocabulary that would make such misinterpretation impossible. That does not mean that I would qualify or alter the arguments themselves. I said repeatedly and emphatically throughout my visit that any enlargement of themes in a different or longer study would not in any way change the conclusions of my book.

The real story of my trip is how many scholars and members of the German public have accepted many if not all of my disquieting conclusions, and have given explicit praise to the book. This has been acknowledged as much by the German media. Both the liberal weekly Die Zeit and the conservative paper Frankfurter Allgemeine Zeitung characterized my trip upon its conclusion in the same way — as a "triumphal procession" (Triumphzug), something that they would have hardly done had I ever announced that my book was wrong.

DANIEL J. GOLDHAGEN, Cambridge, Massachusetts.

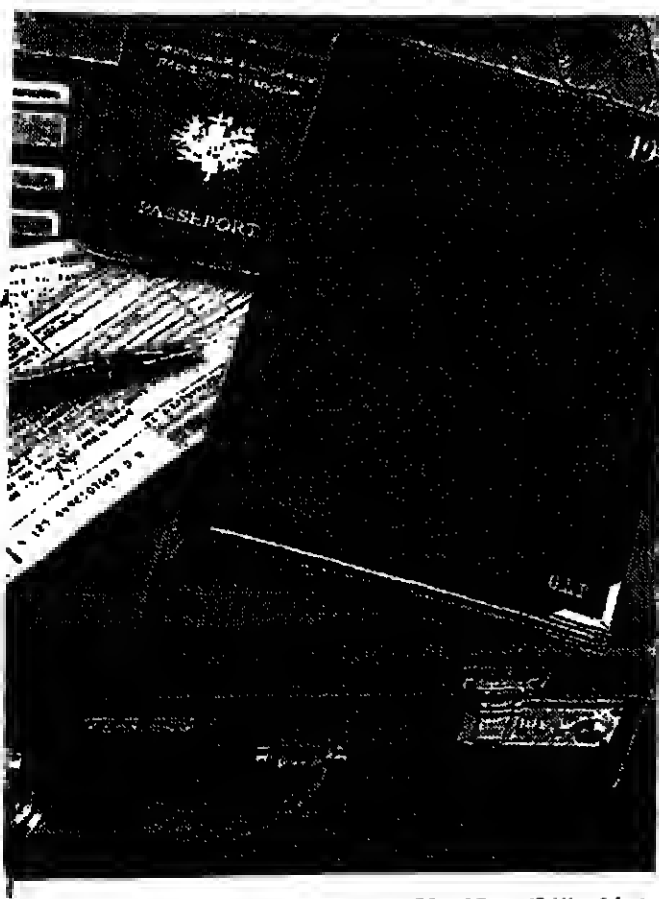
### In Praise of Villages

Regarding "It Takes the First Lady to Elicit Such a Heated Response" (Opinion, Aug. 30) by E.J. Dionne Jr.:

Hillary Clinton's book "It Takes a Village" is deserving of praise and support for purely sensible, pragmatic reasons and is certainly not a "big loser," as some would have it. One need not be a "policy junky" to realize that millions of families worldwide carefully choose the "villages" where they will live and raise their children precisely because of the support villages can provide.

RHODA McMANUS, Kinsale, Ireland.

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## INTERNATIONAL

# From Washington, a Sigh of Relief

## Christopher Says Vote Means GIs Can Leave Bosnia

By Steven Lee Myers  
New York Times Service

WASHINGTON — Expressing the Clinton administration's satisfaction and relief, Secretary of State Warren Christopher on Wednesday declared the elections in Bosnia "a major victory for the democratic process" that would allow the United States to withdraw its troops by the end of the year, as planned.

Mr. Christopher acknowledged that because sharp divisions remained between Bosnia's Muslims, Croats and Serbs, some international force would probably have to remain in Bosnia as the new three-member presidency moved to create a unified government for a nation ravaged by four years of war.

He said that the United States and its NATO allies would have to decide in the months ahead the extent and nature of such a force after the withdrawal of the 53,000 American and NATO troops that have separated Bosnia's ethnic groups since last December as part of the Dayton peace accords.

"It appears to me, based upon the results of this election, that IFOR will be

able to depart within about a year of its commencement, that is, sometime in December," Mr. Christopher said at a news conference at the State Department, using military shorthand to describe the international Implementation Force.

As the final results Wednesday showed Bosnia's Muslim president, Alija Izetbegovic, had narrowly defeated his Serb nationalist rival, Momcilo Krajisnik, to head a new collective presidency, Mr. Christopher's remarks underscored the Clinton administration's enormous relief. The Dayton peace process — and with it the deployment of 15,000 American sons and daughters in a war-torn land — has been one of President Bill Clinton's most highly touted foreign policy accomplishments but one that carried grave political risks.

Mr. Christopher said that the election Saturday, which he described as "orderly, calm and free of violence," vindicated the peace process and the decision to move ahead with the elections despite doubts abroad and criticism at home, including many Republicans. Less than two weeks ago, Bob Dole, the Republican presidential candidate, declared the administration's policy in Bosnia a failure and urged an indefinite delay in the elections.

"This is really a remarkable achievement for a country that experienced four years of war following a half century of communism," Mr. Christopher said. "It vindicates the international community's determination to support the Bosnian peoples' wish to move forward with the election on a timely basis."

### Details From the Vote

The Organization for Security and Cooperation in Europe, which supervised the elections last Saturday, said a completed count Wednesday gave Mr. Izetbegovic 729,034 votes, Mr. Krajisnik 690,373 and a Croatian candidate, Kresimir Zubak 342,077, Reuters reported from Sarajevo, Bosnia-Herzegovina.

"It appears clear that President Izetbegovic will serve as the new president of the presidency," said Robert Frowick, the American diplomat who oversaw the elections for the organization.

The collective presidency will be made up of one representative from each

of the three ethnic groups in Bosnia.

Peace coordinators welcomed the showing of Mr. Izetbegovic because he has said he wants the country united, though under Muslim control. The result means Mr. Izetbegovic will be effective head of state for the next two years as Bosnia is supposed to try to reconcile its Muslim, Croat and Serb sectors.

But the presidency must govern by consensus, a formula that could, without full-time Western diplomacy, cause the kind of nationalist standoffs that degenerated into war, analysts say.

And Mr. Izetbegovic's party has turned increasingly nationalist, inviting obstruction by Serbian and Croatian separatists that will complicate efforts by Western mediators to have the three factions form a joint government.

Early results also indicated that nationalist parties' candidates will dominate regional assemblies. Returns in races for a new multiethnic Bosnian Parliament and regional Muslim-Croatian Federation and Serbian assemblies started filtering out Wednesday, with the major nationalist parties staking out big leads over moderate rivals.

Reporting on turnout, Mr. Frowick said nearly 1.3 million people voted for candidates in the Federation and 1.02 million in the Serbian Republic.

The Serb total exceeded the registered number of voting-age Serbs according to the 1991 census. But independent monitors said this could be because more than a half-million Muslim and Croatian refugees registered for former home districts in Serbian territory.

There were only two reported instances of ballot-box stuffing in the elections, both on Croatian territory, said John Fawcett of the monitoring organization International Crisis Group.

Analysts had predicted that the elections would sweep wartime hard-liners back into power with big majorities because Serbs, Muslims and Croats remain so mutually suspicious that they regard nationalist parties as their only life insurance.

The one surprise in the presidency polling was the robust showing of a Serbian opposition figure, Miladin Ivanic, an autonomist who nevertheless advocated cooperation and compromise with Bosnia's Muslims and Croats. Mr. Ivanic won almost a third of the Serbian votes.



Supporters of Mr. Izetbegovic celebrating in Sarajevo on Wednesday.

## ZAIRE: Province 'Secedes' to Stability

Continued from Page 1

of intellectuals who are working toward realizing a vision of far-reaching autonomy for their province.

"Kasians are as much a part of what we call Zaire as anyone else. But that Zaire is not functional, and we have realized that in order to survive we have to take responsibility for ourselves."

Like most intellectuals here, Mr. Moukendi traces the birth of the autonomy movement to the expulsion of more than a million East Kasians from neighboring Shaba Province in 1992.

Since the days of Belgian colonial rule, residents of Kasai had been favored for training in managerial and technical jobs, earning for themselves the label "the Jews of Zaire." And in a way that could not have been known at the time, the nickname presaged violence against Kasians.

Facing a serious challenge from an ethnic Kasian opposition figure, Etienne Tshisekedi, who was installed as prime minister by a national conference in 1992, allies of Zaire's dictator, Mobutu Sese Seko, launched a virulent anti-Kasian propaganda campaign that blamed the region's people for virtually all of Zaire's ills.

In Shaba, home of Zaire's huge copper industry, Kasians, who had long dominated the managerial ranks of that industry, were chased from their jobs and homes by crowds howling ethnic epithets and wielding knives and guns.

According to the accounts of human rights groups, hundreds of thousands of peasants and ordinary laborers were rounded up, too, and Kasian babies were disemboweled before their mothers' eyes.

It was not long before Mr. Mobutu replaced Mr. Tshisekedi with a more pliant politician.

But soon afterward, when the national government in Kinshasa decided to replace the Zairian currency with yet another generation of shiny new banknotes in a failed bid to fight four-digit

inflation, East Kasians simply said no and continued to use the old currency.

For many, the decision by the poor province to cut itself off from the economic life of the nation by rejecting the currency looked at the time like a suicidal move by a people already known as martyrs.

But nowadays, while inflation rages out of control in the rest of Zaire, the price of goods and the value of the money that circulates in East Kasai remain stable, making the region the envy of other Zairians.

With the chaotic return of more than a million Kasians, many of whom had spent their entire adult lives in Shaba as engineers, tradesmen, teachers and doctors, the will became overwhelming to build a future here, where little had existed before but a diamond industry that fed only the coffers of the central government.

In the four years since, drawing on its talented returnees and recruiting visiting professors from abroad who often teach without pay, Mbuji-Mayi has created a university that is already the envy of Zaire.

And with some of the worst roads in the country right in the middle of town, local groups have begun raising money for resurfacing and drainage projects.

Now, because the national government in Kinshasa, 960 kilometers (600 miles) away, denies East Kasai the right to open its airport to international traffic, there are plans to build a highway linking East and West Kasai to the Angolan port of Lobito, 960 kilometers to the west, bypassing the capital altogether and saving dramatically on transportation costs for imports and exports.

Other provinces have begun to copy East Kasai's version of separate development.

In Shaba, to the south, investments from South Africa are booming. Similarly, in the Kivu region, to the east, Zaire's decay has led most people to turn to the nations of East Africa for trade and travel.

## Death Squads Were No Secret To De Klerk, Assassin Says

Reuters

PRETORIA — A man convicted of being a police assassin during the apartheid era said Wednesday that Frederick de Klerk, now the leader of South Africa's opposition National Party, knew of covert state military units that operated while he was president.

"De Klerk cannot say he did not know that such organizations existed," Eugene de Kock told a court where he is pleading for leniency after he was convicted of six murders last month.

Mr. de Kock is a former commander of a secret death squad established by the former apartheid regime to hunt black guerrillas.

"He gave the order for the attack on the Transkei in 1993," he continued. "Who did he think was going to carry out that attack? He certainly knew there were covert organizations."

Five youngsters died in an attack in 1993 on a home in the Transkei, a nominally independent homeland. The incident nearly derailed government-opposition negotiations that brought democracy the next year.

Mr. de Klerk's government insisted that at least three of the five were guerrillas in the Azanian People's Liberation Army, but the movement denied it.

Soon afterward Mr. de Klerk was jointly awarded the Nobel Peace Prize with Nelson Mandela, the black leader who is now president.

Mr. de Klerk apologized for apartheid last month and acknowledged that his and previous governments had approved "unconventional" actions that "created the environment within which abuses and gross violations of human rights could take place."

These actions, he continued, "within my knowledge and experience never included the authorization of assassination, murder, torture, rape, assault or the like."

He was speaking to Desmond Tutu's Truth and Reconciliation Commission, which is trying to explain the past under white-supremacy governments.

## KOREA: Hunt for Infiltrators

Continued from Page 1

military helicopter patrolled overhead. Meanwhile, South Korean searches on board found guns, bullets, 100 hand grenades, and the following pledge: "We must accomplish our mission, without fail."

Officials said that they had no idea why the submarine had run aground, but that it was presumably picking up or dropping off North Korean agents. Some said it was conceivable that the vessel had been nosing about South Korean waters without planning to mount an infiltration mission, but they tended to discount that possibility because of the weapons found both on board and in the hands of the infiltrators.

In addition, most of those on board were reportedly members of a special forces team specifically trained for infiltrations. Military experts say the Shark-class submarine is designed to sneak into enemy waters and drop people off.

Infiltrations are taken very seriously in South Korea because intelligence analysts warn that the first sign of any invasion from the North would be the arrival of saboteurs who would try to destroy command posts and create havoc within the South. South Korea still makes some beaches every evening and checks them in the morning for footprints of North Korean commandos. It put troops on alert Wednesday to look for any infiltrations in other parts of the country.

The government declared an 8 P.M.-to-6 A.M. curfew in the province where the submarine was found, to help in the search for the remaining commandos. Korean television reported an exchange of gunfire Wednesday night after South Korean troops spotted some of the North Koreans, but the commandos apparently escaped into the darkness.

None of the 37,000 American troops in South Korea were mobilized for the search, and they were not placed on any heightened alert.

"No U.S. installations are located in that part of the east coast," said Jim Coles 3d, a spokesman for the United States Forces in South Korea. "Republic of Korea forces have done a superb job in conducting this search operation, and have neither requested nor required assistance from the U.S. Forces in Korea, to this point."

The 11 bodies of the North Koreans were found in a mountain glade, all wearing civilian clothes and dead of gunshot wounds to the head. It appeared that one member of the group had shot the others, perhaps as part of a suicide pact, and then turned the gun on himself.

Several sightings of other infiltrators were reported. North Koreans normally have specific accents when they speak Korean, so it is difficult for them to pass for South Koreans.

The captured North Korean was identified as Li Kwang Soo, a 31-year-old soldier from the submarine. Mr. Li reportedly told the authorities that the submarine carried seven crew members and at least 13 members of the special forces, trained in infiltration. By some accounts, Mr. Li said that the submarine had engine trouble.

But it was unclear what he had told interrogators about the submarine's mission, or whether his account would be believed.

## DEFICIT: U.S. Trade Gap Widens to Worst Imbalance in 4 Years

Continued from Page 1

Lighthizer, a Washington lawyer who is Mr. Dole's trade adviser.

Mr. Lighthizer said the figures were "flabbergasting" and were the latest evidence of why the United States was suffering from a loss of manufacturing jobs, stagnant wages and a squeeze on middle-class living standards.

The Clinton administration, which has regularly credited its own trade policies for previous reductions in the deficit, argued that the July increase was actually a result of the nation's economic strength.

Commerce Secretary Mickey Kantor said American demand for goods and services was outpacing that of other nations because the United States was enjoying higher growth rates than the other big industrial nations.

"The U.S. trade picture reflects the underlying strength of the U.S. economy," Mr. Kantor told a news conference. "We are in the middle of a period of solid, balanced growth."

News agencies reported earlier from Washington:

The Commerce Department said that

the July figures left the trade deficit running at an annual rate of \$109.6 billion, higher than last year's deficit of \$105.1 billion.

The trade news caused a wave of dollar selling, sending the dollar below 110 yen and 1.51 Deutsche marks.

Analysts, who had been expecting some widening of the deficit after it had improved in June, were surprised by the size of the increase.

"It was anything but a cheerful month," said Robert Dederick, chief economic consultant for Northern Trust Co. in Chicago. "We are continuing to have a high propensity to import at a time when our foreign markets are being held back by sluggish growth abroad."

"The overall trend in exports is not as strong as it appeared," said David Levy, an economist at the Jerome Levy Economics Institute's forecasting center in Mount Kisco, New York. "That's our story to say the tide has turned for exports. Our concern is imports will be winning the race against exports for the next six months or so."

Over the longer haul, the dollar will probably weaken and make American-made goods less expensive for foreign buyers, helping bolster exports, Mr.

Levy said.

The worsening deficit for July reflected a 33 percent jump in the trade deficit with Japan, which rose to \$4.3 billion, the highest level since October. Imports of Japanese cars and parts climbed \$294 million to \$2.9 billion, up 11 percent from the July total.

Negotiators from the United States and Japan were scheduled to meet Wednesday and Thursday in San Francisco to review progress under a 1995 auto agreement that the Clinton administration has hailed as a major success in narrowing the automotive trade gap between the two countries. The auto sector accounts for about two-thirds of the total trade deficit with Japan.

The U.S. deficit with China rose as well, climbing 15 percent, to \$3.82 billion. In June, the deficit with China surpassed the trade gap with Japan for the first time in history. For July, the widening deficit with China reflected a 17 percent surge in imports, led by an increase of \$252 million in toys and games, \$159 million in clothing and \$106 million in footwear.

The deficit with Western Europe was an all-time high. (AP, Bloomberg)

## FRANCE: Budget Built Around an Accounting Device and Cosmetic Spending Cuts

Continued from Page 1

Mr. Chirac said that the budget proposal was "compatible with France's European commitments and in line with harmonization of French-German policy." He told the cabinet meeting, which approved the draft budget: "For the first time in the history of the Fifth Republic, there is a real effort to halt the increase of public spending."

In recent weeks, as details of the French budget plan have become known, economists have warned that a budget that involved "window dressing" of the national accounts merely to qualify for single currency conditions without structural reforms would cast doubt upon France's credibility in financial markets.

Hans Tietmeyer, president of the Bundesbank, said earlier this week that such accounting practices would not be acceptable as France and Germany try to lead a core group of European nations into the single currency project.

Explaining the budget Wednesday, Finance Minister Jean Arthuis said the France Telecom payment would allow the government to achieve a 1997 deficit of 283.7 billion francs. That target, which is itself based on France's economy growing by 2.3 percent

next year, is just 1.5 percent below this year's deficit forecast of 288 billion francs. The 1997 deficit target is also much higher than the government's original target of about 250 billion francs.

"There's a political agreement between France and Germany to reach the 3 percent deficit target by any possible means," Eric Chaney, a senior economist at Morgan Stanley told Bloomberg Business News. "At least this budget is honest, and does not try to hide the deficit."

The French budget is one of the first of several European proposals to be unveiled over the next few weeks. Other budgets for 1997 will be announced by Italy, Spain, the Netherlands and Sweden. The 1997 figures are especially important because they will be the last before government heads meet in early 1998 and decide on which countries will qualify for monetary union starting in 1999.

But financial markets had doubts, and a number of economists criticized the French budget, which promises to simultaneously cut taxes by about 25 billion francs, and increase revenues, while decreasing spending and reducing the deficit.

"There's a lot of smoke and mirrors going on here but what most people want is confirmation that

EMU," European economic and monetary union, "will go ahead and today's budget will underpin those hopes," Adrian Owens of Julius Baer Investments told Bloomberg Business News.

"Our biggest concern is on spending," said Mr. Owens. "For the past three years the French government has overshot its spending targets by 3 percent. The question is, will the future be different?"

The franc and French bonds weakened against the mark after the budget was announced as traders expressed disappointment that the deficit wasn't smaller. The Deutsche mark rose to 3.4059 francs from 3.3980 francs ahead of the news.

"Foreign investors are selling the franc," Philippe Gernez, a currency trader at Credit Lyonnais, told Bloomberg Business News. "They weren't quite prepared for such a large deficit."

Economists and traders were also troubled by other aspects of the budget.

In addition to the France Telecom payment, the French government is counting on growth of 2.3 percent in 1997 to increase state revenues — a figure many economists believe may be far too optimistic. Growth this year is expected to be no more than 1.3 percent and quite possibly less.

## AIRLINE: 5,000 Jobs to Be Cut

Continued from Page 1

ant United Airlines and the upstart U.K. carrier Virgin Atlantic, object that the alliance would grant American and BA 70 percent of the New York-London traffic.

Analysts now say the two airlines will probably have to give up some takeoff and landing slots at Heathrow Airport to secure the open-skies agreement between Britain and America on which the deal hinges.

With elections now looming on both sides of the Atlantic — the U.S. presidential election in November and a general election in Britain that must be held by next spring — they say that any agreement on the exact number of slots may have to wait for calmer political waters.

Mr. Ayling said he expected to announce orders soon totaling hundreds of millions of pounds for new airplanes.

The BA chief also said that investments would be made in such potential new profit-making activities as in-flight pay-per-view entertainment and information services as well as pay-per-play games.

Meanwhile, BA will continue to battle costs, especially by raising the threat of outsourcing.

The airline made it clear Wednesday that services ranging from baggage handling to accounting had to be carried out at what it called "external" market prices.

If not, BA warned its employees, "subcontracting will be considered."

Outsourcing of various tasks has become a phenomenon in the industry in recent years.

Two years ago, BA took a step in that direction by selling its engine-maintenance operation, which was based in Cardiff, Wales, to General Electric Co. of the United States.

## ELECTION: Japan Leader to Call a Vote in Move to Bolster Party

Continued from Page 1

who have grown apathetic about Japanese politics.

With neither the Liberal Democrats nor Shinshinto likely to gain a clear majority of the 500 seats in the lower house of Parliament, many believe the Democratic Party will become junior partner in the next coalition. Mr. Hatoyama and Mr. Kan could then have powerful positions in the new cabinet.

If the Liberal Democratic Party has a poorer than expected showing in the election, for instance winning fewer than 200 of the 500 seats, it could woo the Democratic Party into a coalition by crowning Mr. Kan or Mr. Hatoyama prime minister, analysts said.

"Roughly 60 percent of Japanese

voters are at this point undecided in terms of which party they will support," said Mr. Redl. "The swing factor in this election will be at a postwar high."

A poll in the daily Nihon Keizai Shimbun on Wednesday showed that 31.6 percent of those surveyed favored Mr. Hashimoto for prime minister. Mr. Kan was second with 16.2 percent, the only other politician in double digits. The Shinshinto head, Ichiro Ozawa, was chosen by 4.3 percent of those polled.

No major changes in Japanese policy toward the United States are anticipated, no matter how the election turns out. The two dominant parties, the Liberal Democratic Party and Shinshinto, both support the Japan-U.S. security alliance.

Japanese politics has lately been marked by a lack of ideological con-

viction, with parties barely distinguishable from one another. Voters have grown increasingly disgusted and apathetic, about half refusing to identify themselves with any political party.

"They just feel that politics doesn't matter and that their vote doesn't make a difference," Mr. Neuffer said.

### Okinawa Lawsuits Withdrawn

Mr. Hashimoto on Wednesday withdrew two lawsuits demanding that the governor of Okinawa sign leases for U.S. military bases on Japan's southernmost island, Reuters reported.

Mr. Hashimoto's move followed a decision last Friday by the governor of Okinawa, Masahide Ota, to take steps to renew the leases for U.S. military bases on the island prefecture.

## Polio Outbreak Kills 7 People in Albania

The Associated Press

COPENHAGEN — An outbreak of polio in Albania has killed seven people and stricken 66 others, the World Health Organization said Wednesday.

The outbreak started in northwestern Albania in April, and spread to the capital, Tirana, and the rest of the country.

The number of cases in Albania is higher than the number reported in the rest of Europe this year, the UN agency said in a statement from its regional office in Copenhagen.

The vast majority of the cases in Albania occurred among teenagers and adults. Only seven children under 10 were affected. In April and May, 350,000 Albanian children were vaccinated against polio, but adults were not.

مكتبة من الأصل



## HEALTH/SCIENCE

## Study Claims Heart Catheters Might Threaten Lives

By Lawrence K. Altman  
New York Times Service

**N**EW YORK — A standard procedure used more than a million times a year in the United States alone on seriously ill patients offers no benefit and may kill some people, according to a new study that is causing consternation among many doctors.

For 25 years, doctors working in the high-technology world of intensive care units have relied on the procedure to diagnose, monitor and treat very sick patients, like those experiencing heart, lung or multi-organ failure.

The procedure involves inserting a thin tube into the heart through a neck vein to collect data to guide minute-to-minute therapeutic decisions. The information concerns actions of the heart and lungs, the amount of fluids in the body and other bodily functions.

The study found that patients who underwent the procedure in the first 24 hours of their stay in an intensive care unit had a higher death rate, longer hospital stays and larger medical bills than those who did not receive it.

The study involved more than 5,700 patients at five teaching hospitals and is believed to be the largest, most detailed study ever done on the procedure. But some experts in critical care medicine criticized the method used in the study as being less precise than that used in a randomized controlled trial.

In the editorial, Dr. James E. Daley of the University of Arizona and Dr. Roger C. Bone, the journal's consulting editor, demanded that either the National Heart, Lung and Blood Institute should immediately subject the procedure to a randomized controlled trial or the Food and Drug Administration should declare a moratorium on its use.

The procedure relies on a device named after Dr. H.J.C. Swan and Dr. William Ganz, who reported developing it in 1970. Other doctors quickly

before its benefits and hazards are fully evaluated in rigorous trials.

"This is an instance where the technology exists and provides the information it was designed for, but the benefit to the patient is not clear," said Dr. William A. Knaus, an expert in critical care medicine at the University of Virginia and a co-author of the study.

The procedure is known as pulmonary artery catheterization, or right-heart catheterization, and the controversy over the technique results from a study and an editorial in the latest issue of *The Journal of the American Medical Association*. The findings have been known to some experts for weeks.

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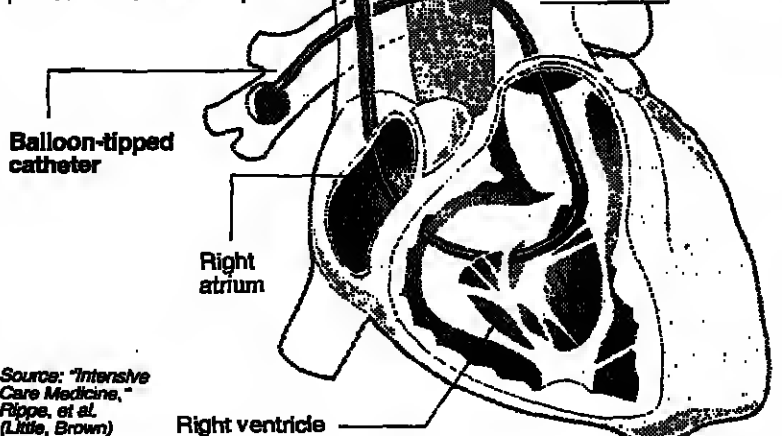
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## An Examination From the Inside

In pulmonary artery catheterization, a tube with a balloon on its tip is threaded into a neck vein and through the heart until it rests at the opening of the artery. The balloon is inflated to check pressure and heart output.



Source: "Intensive Care Medicine," Rippa, et al. (Lille, Brown)

The New York Times

adopted the technique in the belief that its benefits were obvious.

Dr. Peter F. Pasternack, a cardiologist at New York University, said many experts believed the devices were used too often and left in place too long, risking infection and the formation of dangerous blood clots. Additional complications can result from the need for a patient to remain immobile while the Swan-Ganz catheter is in place, which can last days.

Previous calls for a moratorium have gone unheeded, and attempts to conduct randomized controlled trials have failed because many doctors, believing the procedure to be helpful, have said it would be unethical to put patients in a control group that would not get the treatment.

For example, in 1991, a trial in Ontario was stopped largely because most doctors were convinced the procedure was beneficial and considered it unethical for them or their patients to participate in a trial in which a computer dictated the choice of treatment.

Other studies could not be started because ethics committees refused to approve them, said Dr. John W. Hoyt, president of the Society of Critical Care Medicine, a group of 9,000 doctors, nurses and allied health professionals.

Dr. Hoyt said the findings of the new study were "inconclusive" and called

the demand for a moratorium "inappropriate" and "misleading to patients, their families and health care providers."

He said that the Swan-Ganz catheter was such a standard device and that doctors were so dependent on information from its use that "if you suddenly take it away from me, I am not sure patients are going to do very well in my hands."

Without the technique, doctors would have to do a different and perhaps more dangerous procedure known as a left-heart catheterization, in which a tube is inserted in an artery to reach the heart, or base their decisions on less precise information from physical examinations. A moratorium could endanger the lives of thousands of seriously ill patients, Dr. Hoyt said.

"We do not want news coverage of the issues raised by the authors to alarm patients and their families or to compel physicians to change their method of practice," Dr. Hoyt said in a news release issued by his society. He said the release had been financed by a grant from Baxter International, a manufacturer of the device.

Nevertheless, Dr. Hoyt said that he "did not want to put down the study" because "it is very important" and raised questions that needed to be answered by additional research.

In the procedure, the thin, balloon-

tipped catheter is inserted into a vein in the neck or shoulder and inflated so the tube is carried along by the blood flow to the right side of the heart until it lodges in a lung artery.

Thirty days after the procedure, there were about 50 more deaths per 1,000 patients among those who had undergone the procedure than among those who had not. The mean cost of the hospital stay was \$49,300 for those having the procedure, compared with \$35,700 for those who had not. The mean length of stay was nearly two days longer for the group receiving the procedure, 14.8 days, compared with 13 days. No significant differences were found among the five hospitals in the study, which was carried out from 1989 through 1994.

In the absence of randomized controlled trials, other, second-best, types of studies of pulmonary artery catheterization have found the risk of death to be higher in the elderly and in patients who had suffered heart attacks.

The new study was based on a methodology known as case matching. In it, the authors developed a scoring method to assess the outcome of critically ill patients with certain conditions. These included three types of lung disease, congestive heart failure, liver damage from cirrhosis and cancer, coma or resulting from injury and multi-organ failure due to infection or cancer.

## Stress: Good Days, Bad Days

By Denise Grady  
New York Times Service

**N**EW YORK — Dangerous abnormalities in heart rhythm are more likely to take place on Mondays and on Fridays than on other days of the week, scientists have concluded from a study of patients being treated for heart disease.

The study did not explain the pattern, but because the abnormal heartbeats peaked at the beginning and end of the workweek, researchers suggested that stress and fatigue might play a role.

The findings mirrored those already reported for heart attacks and heart-related deaths, which are also more common on Mondays, and in the morning. The study appears in the current issue of the journal *Circulation*.

"Our hypothesis, which really has not been proved or tested, is that somehow, getting up on a Monday morning triggers this," said Dr. Robert Peters, cardiology chief at the Baltimore Veterans Affairs Medical Center.

Changes in heart rate might be brought on by increased levels of adrenaline, a hormone released during periods of stress, Dr. Peters said.

## How Endangered Is the Tuna?

By William K. Stevens  
New York Times Service

**N**EW YORK — For the first time, some scientists are saying that some species of ocean fish and invertebrates are reaching the perilously low levels where extinction becomes a real possibility. Their contention is prompting a fierce scientific debate, which could intensify with the imminent addition next month of more than 100 species of ocean fish to the World Conservation Union's influential "red list" of creatures whose existence is in some degree endangered.

Until now, only a handful of marine organisms have been scrutinized and placed on the red list, along with thousands of terrestrial and freshwater creatures around the world. While it has no legal force, the list is used as a guideline by policy makers. The organization that maintains it, also called the International Union for the Conservation of Nature, is based in Gland, Switzerland, and has many governments among its members.

The oceans have had their share of environmental trouble, of course. The plight of whales, other marine mammals and sea turtles is a familiar tale of ecological woe, and loud alarms have also been raised about the rapid depletion of many commercial stocks of ocean fish. But depletion is not endangerment, and it has long been assumed that the sea is so vast and fecund that marine fish and invertebrates are generally in no danger of extinction at the hands of humans.

Not necessarily so, say the marine biologists, who cite growing evidence that many oceanic species may be just as imperiled as their terrestrial counterparts, and largely for the same two reasons: the overexploitation of long-lived species that cannot reproduce fast enough and the disruption or destruction of narrow habitats to which many species are confined.

Ten years ago, or even five, "it was inconceivable that endangerment could occur in the ocean," said Dr. Gene Huntman, a longtime fisheries biologist who recently retired from the National Marine Fisheries Service. Today, many scientists concur with Dr. Huntman when he says, "I believe we have created true endangerment for some species."

The roster of imperilment would grow, many biologists say, if marine invertebrates not yet considered for the red list were to be added to it. That expanded roster's members range from the humble and obscure to the spectacular and renowned, including these:

• The delicate white abalone of California, its population so depleted by fishing that little or no reproduction is taking place and extinction appears likely.

## Some Marine Species Under Siege

Here are some marine species that some biologists fear may be endangered. The groupers, seahorses and sharks are among more than 100 species about to be added to the World Conservation Union's red list of imperiled organisms.

California white abalone  
Florida sea slugs  
Groupers (at least 14 species)  
Seahorses (more than 30 species)

Great white shark  
Bluefin tuna  
North Atlantic swordfish  
Atlantic cod  
Haddock



Nassau grouper

The New York Times

• Florida sea slugs, their beauty belying their name and their like found nowhere else, apparently on the ropes because of coastal development.

• A whole family of groupers, including at least 14 species, that are sitting ducks for fishermen because they never leave the shallow water patches of coral reef on which they live.

• Seahorses, confined to grass beds around the world where they are easy prey for suppliers of the trade in Asian traditional medicines.

• The great white shark, tiger of the sea but no match for human hunters.

**A**LL these creatures are said to be vulnerable because they bear few young or are found in only a few restricted habitats, or both. But even some species and populations that reproduce in prodigious numbers or roam widely or both, like the bluefin tuna, the North Atlantic swordfish, the Atlantic cod and the haddock, are also being added to the red list, and this is the big source of controversy.

Conservationists who believe that the listing of these prolific fish is warranted point to the extinct passenger pigeon and the American bison, once nearly extinct, as examples of terrestrial species formerly thought to be so abundant as to be invulnerable. They assert that marine species as numerous as those pigeons and bison were are no less vulnerable to today's ever-more-efficient fishing methods.

Fish are indeed the last wild creatures to be hunted by people on a large scale, and some conservationists say the world may be in the early stages of a marine "last buffalo hunt."

Many fisheries experts, on the other hand, scoff at such fears in the case of the wide-ranging, super-fertile bony fishes like tunas.

"That's bull — that's crazy," Dr. John A. Musick, a vertebrate ecologist at the Virginia Institute of Marine Science, said of efforts to declare a number of tuna species and populations endangered.

"They're severely overfished, and they should be protected," he said, but "an animal that lays millions and millions of eggs is not as likely to go extinct" as species with low reproductive rates and restricted habitats.

Dr. Musick, who agrees that some marine species other than booby fishes might be vulnerable to extinction, and Dr. Huntman were among 31 experts from eight countries who convened at the Zoological Society of London in May to draw up the roster of fishes for the red list.

Because of objections like Dr. Musick's, the red-list entries for tunas, swordfish, cod and haddock carry a notation that the listing criteria may not be appropriate for these kinds of fish. They are being included nevertheless to head off the assumption that all is well and that the populations are necessarily being properly managed. They are to be removed from the list if their numbers recover.

The red-list exercise is not intended to produce "an authoritative list of species that are about to go extinct" but rather to raise a "warning flag" for species "exhibiting symptoms of endangerment," said Dr. Georgina Mace, a conservation biologist at the Zoological Society of London, who convened the May meeting.

"It's like your patient has a high temperature," she said. "It could come from just a run around the block or it could be a fever. What the scientific conservation community needs to do now is to look into those cases and, if there is a problem, work out how to manage it."

to evidence that diet during pregnancy and breast-feeding could have a major influence on the development of gastrointestinal disease in later life.

## Scientists Map Key Part Of Blinding Herpes Virus

**LONDON (Reuters)** — Three separate teams of scientists reported Wednesday that they had mapped a key enzyme of a herpes virus that can blind AIDS patients. They said that their findings could help researchers design better drugs to attack cytomegalovirus, which affects more than 90 percent of AIDS sufferers.

The enzyme, known as protease, is important to the replicative cycle of the virus. Drugs that inhibit protease production in the HIV virus that causes AIDS have offered new hope of treating the deadly syndrome.

The researchers, at Boehringer In-

gelheim Pharmaceuticals Inc., Smith-Kline Beecham Pharmaceuticals and Monsanto/Seale said the cytomegalovirus protease enzyme seemed to be unique. They reported their findings in the science journal *Nature*.

## Champagne With No Pop

**LONDON (Reuters)** — Champagne celebrations could soon go with a *phew* not a *pop* due to a revolutionary new cork that takes the explosive fizz out of opening a bottle.

A tiny pull tab reduces the cork's width. A hole in the cap then releases gas from the neck of the bottle.

Jacques Pinoux, an advertising salesman who invented the cork, acted when he lost a quarter of a bottle one night in 1970. "If you want to pop the cork," he told the weekly *New Scientist*, "you simply don't pull the tab and it works just the same as an ordinary cork."

By Marian Burros  
New York Times Service

**N**EW YORK — Just as martinis and steaks seem to be making a comeback, the American Cancer Society, in guidelines released this week, has warned that eating red meat and drinking even small amounts of alcohol could contribute to certain cancers.

The new warning and dietary recommendations are more specific and tougher than those suggested by the cancer society in 1991 and those published by the U.S. government in January.

Cancer, which is expected to be the leading cause of death in the United States by the turn of the century, in part because the incidence of heart disease is declining, is now responsible for 500,000 deaths a year. Of those, one-third can be attributed to smoking and one-third to dietary factors, the society said. The others are caused by various factors, including genetics and occupations.

The society made four main new recommendations, which at first glance appear to be quite similar to current dietary advice from the government: consumption of a diet high in fruits, vegetables and whole grains; a diet low in high-fat foods, particularly those from animal sources; maintenance of a healthy weight and moderate physical activity for 30 minutes or more on most days; and limited or no alcohol.

The scientific basis for this advice, the guidelines say, "is very strong for cancer at many sites," particularly gastrointestinal and respiratory tracts.

In the details, however, the guidelines are very different from those provided by the government. Some health experts attributed this to the pressures that are brought to bear on the government by groups that could be hurt financially.

There are two main areas of difference between the government and the cancer society. The government recommends eating lean meat and limiting consumption of high fat processed meats like sausage and salami. The society recommends curtailing all red meat, not just high-fat meat. It links consumption of red meats to colorectal and prostate cancer. Meat is generally high in fat and high-fat diets have also been associated with an increased risk of renal and endometrial cancer.

Obesity is also a cancer culprit. The society criticized high-calorie fat-free processed foods for contributing to obesity. They said obesity had been associated with colon, rectal, prostate, endometrial and kidney cancers — and among post-menopausal women — breast cancer. As an alternative to red meats, the society recommended beans, seafood and poultry.

**O**n alcohol, the cancer society acknowledged that studies showed a decreased risk of coronary heart disease among middle-aged adults with moderate intake of alcohol, and it suggested that for men over 50 and women over 60 the "cardiovascular benefits may outweigh the risk of cancer."

Otherwise it disagreed with the federal dietary guidelines that say "one or

two drinks daily appear to cause no harm to adults." The society noted that the "cancer risk increases with the amount of alcohol consumed and may start to rise with intake of as few as two drinks a day," or 24 ounces of beer, 10 ounces of wine and three ounces of 80-proof distilled spirits.

The society said that studies also noted an association between increased risk of breast cancer and the consumption of "just a few drinks per week" and suggested that women who are at an unusually high risk for breast cancer "might reasonably consider abstaining from alcohol."

Representatives of the meat and wine businesses took exception to the advice. "It is inappropriate to indict meat," said Dr. Janet Williams, the vice president of scientific and technical affairs for the American Meat Institute, a trade group. "The document is not consistent with U.S. Dietary Guidelines."

Citing several studies, John De Luca, president of the Wine Institute, an industry trade association, said that wine should not be lumped together with other alcoholic beverages. He said that studies had indicated that moderate consumption of wine might reduce the risk for breast cancer.

But Dr. Meir Stampfer, a professor of epidemiology and nutrition at the Harvard School of Public Health, said that the alcohol guidelines were reasonable for a group focused on cancer.

"We know lots of ways of reducing the risk of heart disease without alcohol," he said. "For subgroups at high risk for breast cancer, why drink?"

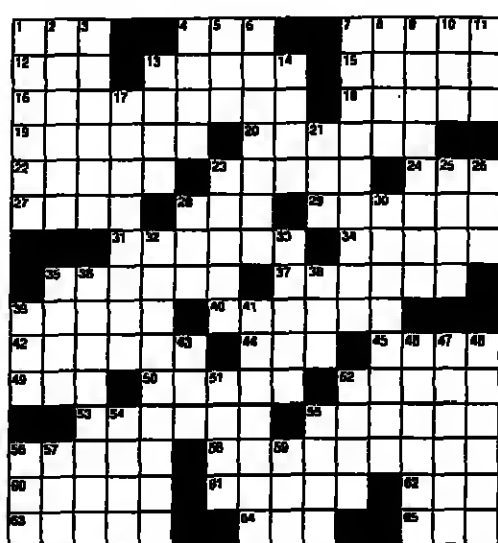
## CROSSWORD

ACROSS  
1 Soup order  
4 Is afflicted with  
7 Long-range weapons  
12 Genetic letters  
13 — National Accelerator Laboratory

15 Ultimate object  
16 Cases for a zoo vet?  
18 Popular Handel composition  
19 Whence the phrase "God save the King"

20 Conductor Anderson et al.  
21 Start of a Caesar quote  
22 Here, Prefix  
24 Scottish headwearer  
27 Bonnet  
28 Scottish explorer John  
29 "Pennywhistle" — Mountains  
31 Dress  
34 Ultraviolet ray absorber  
35 Lamenting one  
37 Corn oil brand  
38 Man of La Mancha  
40 Beer mug with a hinged lid  
42 Mitigate  
44 Soph., Jr. and Sr.  
46 Back talk  
48 Chatter  
50 Parts of a Road & Truck course  
52 Dead duck  
53 Poison remedy  
54 Without much trouble  
56 A Curie  
58 Phone a rock group?  
59 "Island of the Blue Dolphins" author Scott  
61 La Scala production  
62 Literary compilation  
63 Portends  
64 Proteus's domain  
65 Prefix with fuel

4 Recover  
5 Tentacles  
6 Punier  
7 Summer problem for Estimote?  
8 Bluesman Robert  
9 Pub seat  
10 Cold war plane  
11 Highway caution  
13 Run  
14 "That explains it!"  
17 Rheumatism's daughter  
23 Castigate  
25 Poker holdings  
26 Sigmund's assassin  
28 Fisherman's catch?  
33 Arabian noblemen  
35 "— pin..."  
36 Brilliant  
38 Show stoppers?  
39 Fogy  
41 Ophthalmologist's equipment  
43 Pres. advisory group  
46 Old Colt Johnny  
47 Grand theft, for example  
48 Spider  
51 Former Cincinnati Red  
52 Arafat's control  
54 Stack  
55 Biblical scribe  
56 Kind of rule  
57 Stir  
59 The end



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## Solution to Puzzle of Sept. 18

FAIRM GLAD SWAIN  
OLEO ROTE HONDO  
WILDMANOFBORNEO  
LAYETTE REDEAR  
OMAN SWIRIA POE  
RADIO ESCAPIST  
CRAZYLEGHISHSCH  
ANGELICA ROMAN  
SEE SNEEP TORO  
SOTO SILO  
TWEETZ CRITICS  
WILDANDCRAZYGOV  
UMBER BOOT PORN  
EPARK LOWE ERTE

## IN BRIEF

## Mothers' Diets Linked To Baby Bowel Disorder

**LONDON (Reuters)** — Women who eat a low-fiber diet while pregnant may give birth to babies more prone to bowel disease, British researchers say.

Dr. Linda Weiss and colleagues at the University of Stirling said that rats fed a low-fiber diet while pregnant gave birth to baby rats prone to diverticulosis, a common bowel disorder.

The researchers took two groups of rats and fed one a high-fiber diet, which would be high in vegetable content, and another a low-fiber diet before mating. They then fed their babies either a high- or low-fiber diet.

Those whose mothers had been fed a low-fiber diet were twice as likely to develop diverticulosis, whether they got fiber in their diets or not. Dr. Weiss wrote in the journal *Gut*. She said her findings could apply to people.

Dr. Weiss said that the findings added



Wednesday's 4 p.m. Close  
Nasdaq prices, not reflecting late trading elsewhere.  
The Associated Press.

Symbol	Price	Change
IBM	100.00	+1.00
Microsoft	60.00	+1.00
Apple	40.00	+1.00
Oracle	30.00	+1.00
Sun	20.00	+1.00
HP	15.00	+1.00
Intel	10.00	+1.00
Motorola	8.00	+1.00
AT&T	7.00	+1.00
Verizon	6.00	+1.00
WorldCom	5.00	+1.00
Sprint	4.00	+1.00
Qwest	3.00	+1.00
Level 3	2.00	+1.00
Southwest	1.00	+1.00
Delta	0.50	+1.00
American	0.25	+1.00
United	0.10	+1.00

...the company's stock price has risen sharply since the announcement of the merger. Analysts expect the deal to create significant synergies and improve the company's competitive position in the market. The merger is expected to be completed by the end of the year.

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THURSDAY, SEPTEMBER 19, 1996

PAGE 13

## Caio Ousted As Head Of Olivetti

**Boardroom Coup  
Aids De Benedetti**

By Alan Friedman  
International Herald Tribune

PARIS — Olivetti SpA's chief executive, Francesco Caio, was ousted Wednesday night after an emergency board meeting that marked a victory for the company's biggest shareholder and former chairman, Carlo De Benedetti.

Olivetti said Mr. Caio, who was appointed on July 4, had resigned and would be replaced by Roberto Colaninno, chief executive of Sogefi SpA, an automotive components manufacturer controlled by Mr. De Benedetti's holding company, CIR SpA.

The change of management appeared to be a joint effort by fellow shareholders CIR and Mediobanca, the powerful Milan-based merchant bank, to take firm control of Olivetti and redirect its strategy.

Olivetti stock, after falling 19 percent in the first two days of the week, rose 46.5 lire, or 10 percent, to end at 511.50 lire (35 cents). Authorities delayed the start of trading in Olivetti shares for two hours to allow the market time to assess information supplied by the company.

Once the stock opened, it rebounded from a record low of 465 lire, set on Tuesday, and triggered automatic suspension by touching a 10 percent trading ceiling. It then failed to resume trade.

Mr. De Benedetti, who resigned as chairman on Sept. 3 after a bitter fight with Mr. Caio, controls 14 percent of Olivetti through CIR.

At the two-hour-long board meeting, Giorgio Garuzzo was confirmed as vice chairman, with specific powers to negotiate international alliances.

The decision to fire Mr. Caio was made at an emergency board meeting called as an investigation into Olivetti's first-half results widened. Mr. Caio is under investigation by Ivrea public prosecutors, along with Mr. De Benedetti, the new chairman, Antonio Tesone, and the former chief financial officer, Corrado Aziaudo, regarding allegations of false accounting.

On Sept. 4, a day after Mr. Caio took control of the company, Olivetti's chief operating officer, Renzo Francesconi, resigned and accused Olivetti of improprieties, saying first-half losses were larger than the 440 billion lire that was disclosed. Olivetti has denied the assertion.



Kenneth Chenault, vice chairman, left, and Harvey Golub, chairman, are taking risks at American Express.

## American Express: A Lasting Glory?

By Saul Hansell  
New York Times Service

NEW YORK — American Express Co. is doing just what it said it would to reclaim the glory days of its card business — but it may not be enough.

Two years ago, the company shifted its focus from its pay-as-you-go charge cards, with their lucrative fees, and belatedly showered the public with what clients really wanted: interest-bearing credit cards in a dozen flavors, many of them free.

In just the past 18 months, American Express has introduced more varieties of plastic than it did in the entire previous decade, including a no-fee card for heavy borrowers, a card offering Delta Air Lines frequent-flyer miles, a card for golfers and, now in the works, a card for fans of the New York Knicks basketball team.

It has also signed up hundreds of thousands of new merchants, from the Ikea furniture chain to Wal-Mart Stores, the largest retailer in the United States and a long-time holdout. As a result,

Amex has reversed the decline in the number of its cardholders, sharply increased loan balances and raised the overall profitability of its credit-card business.

But although the company is doing well by comparison with its sorry recent past, the leading credit-card players — MBNA Corp. of Wilmington, Delaware, and First USA Inc. of Dallas — are growing loan balances at annual rates of more than 40 percent annual pace, twice the rate of American Express.

For all the prestige of its name, American Express has had to fight hard just to get the response rate to its credit-card mailings up to the industry average.

"The market has simply moved beyond Amex," said Jill Krutick, president of Payment System Inc., a leading credit-card research firm once owned by American Express. "Their new products are good and their strategy now is right on. But they're late."

Kenneth Chenault, the American Express vice chairman in charge of the card business, acknowledged that the relatively slow pace weighs on the company.

"We are not going to be satisfied with improved financial performance," he said. "The acid test is: Are we growing faster than the market?"

American Express will step on the gas next year, Mr. Chenault insisted, with more new products and increased marketing. It also plans to increase credit limits the number of people to whom it offers cards.

If loosening credit quality at a time of record personal bankruptcies is not risky enough, Mr. Chenault has also decided to gamble with what is arguably the company's most valuable asset — its reputation for quality service — by letting banks issue their own American Express cards.

So far the offer has been taken up by banks in Brazil, Ireland and Israel and by General Electric Co.'s finance company in France. But in the United States, most banks are forbidden by their contracts with Visa and MasterCard to sign up with American Express.

That ban, however, has raised a red

See AMEX, Page 17

## Bertelsmann Pulls Plug On Pay-TV Ambitions

**Firm Delays Plan for Digital Network**

By John Schmid  
International Herald Tribune

FRANKFURT — Conceding that it overestimated the opportunities for digital television in Germany, Bertelsmann AG Wednesday scaled back its once-grand pay-TV ambitions by postponing plans to launch a new digital network.

At the same time, the state-run telephone utility Deutsche Telekom AG emerged as one of the major players in Europe's single largest broadcasting market, showing a willingness to exercise the clout it holds through its monopoly over Germany's cable TV infrastructure.

Telekom's status was enhanced, analysts and rivals said, when it decided this week to withdraw from a digital TV consortium called Multimediale Betriebs GmbH, in which Telekom holds 27 percent. The move allows Telekom to make its cable-TV network profitable by becoming an independent distributor of digital TV programs. Pulling out of MMBG means it can take advantage of

its cable monopoly without having to report to any of the other MMBG partners, which include Bertelsmann.

The pay-TV plans of Bertelsmann this year repeatedly have been frustrated by the breakneck advances into the market by the Bavarian media tycoon, Leo Kirch.

In a matter of months, Mr. Kirch has amassed a world-class library of films and programming, which allowed him in July to begin broadcasting digital pay-TV via satellite.

In the wake of Telekom's withdrawal from MMBG, on Wednesday a senior Bertelsmann executive announced that Bertelsmann also would pull out of MMBG. That ensures the demise of MMBG.

A Bertelsmann board member, Thomas Middelhoff, said Wednesday that Bertelsmann has reconsidered its strategy to launch a new digital TV channel called Club RTL, which Bertelsmann originally wanted to inaugurate this autumn. Instead, the company will wait until the market grows.

## China Trade Minister to Visit Washington, Detroit's Big 3

Bloomberg Business News

BEIJING — Foreign Trade Minister Wu Yi of China will lead a 30-member delegation to the United States starting Sept. 24, a ministry official said.

Miss Wu will visit the Big Three automakers in Detroit and then travel to Washington said Jim Ligand, chief of the American Division of the trade ministry.

An official at the U.S. Embassy in Beijing confirmed the visit, adding that Miss Wu would leave Washington on Sept. 27.

"The U.S. business community is very happy about this visit," said Jim McGregor, chairman of the Beijing chapter of the American Chamber of Commerce. "Everyone on all sides wants the relationship to be more friendly and more stable."

Mr. McGregor said Miss Wu would hold private and public meetings with U.S. Secretary of Commerce Mickey Kantor. Miss Wu also is to address the U.S.-China Business Council and preside over the Joint Commission on

Commerce and Trade.

U.S. Embassy officials refused to confirm the itinerary, saying Miss Wu's visit schedule was not final.

Miss Wu canceled a visit scheduled in March during a period of tension over Taiwan.

Washington will be looking for some economic benefits from the trip. In June, China's trade surplus with the U.S. was \$3.339 billion, overtaking Japan's surplus on trade with America for the first time, according to U.S. Department of Commerce figures.

Last year, China's trade surplus with the U.S. was about \$33.8 billion. China disputes the figures, saying value-added in Hong Kong and other third country ports is unfairly added to China's tally.

"The trade surplus issue is very serious and highly visible in Washington," Mr. McGregor said. "This visit will certainly help her understand the importance of the issue."

Mr. McGregor said China sends a third of its exports to the United States.

## INTERNATIONAL MANAGER

### Toy Story Holds Lessons for New Firms

By Glenn Collins  
New York Times Service

WESTBROOK, Maine — It is not all crinolines and dresses and cute blinky blue eyes in the doll business. Shortly before last Christmas, Georgetown Collection Inc., a hot maker of collectible porcelain dolls, bet the survival of its business on the Magic Attic Club, a line of dolls for girls aged 6 to 11 that needed to make 80 percent of its annual sales during the holiday shopping period.

The newest shipment of dolls from the company's factory in China duly arrived, and suddenly, six weeks before Christmas, the company's 100 employees found themselves scrambling to correct a disastrous and unforeseen flaw: The dolls' arms were falling off.

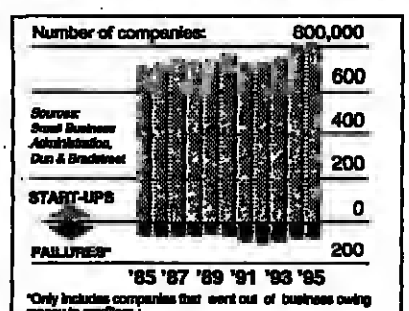
Secretaries, accountants, managers and the company's president toiled long into the night for weeks to reassemble 40,000 dolls and fix 80,000 little arms.

That effort saved the company and gave Magic Attic such a strong season that it is now poised for success. Takeover offers and deals from feature-film producers, television syndicators and CD-ROM entrepreneurs are pouring in.

But there is no happy ending just yet. Privately held Georgetown is struggling. Rich in ideas, expertise and enterprise but poor in capital, it is trying to keep up

with skyrocketing demand while eyeing potential competitors warily.

In many ways, Georgetown's experience can be seen as a paradigm for thousands of small companies: Initial success inevitably leads to the more daunting problems of rapid expansion — staffing, warehousing, supplies and



Only includes companies that went out of business owing money to creditors.

distribution, as well as a host of competitive forces beyond their control.

"This is the point where companies grow or fail," acknowledged Gretchen Springer, 37, Georgetown's vice president of marketing and a former new-product manager at Johnson & Johnson.

"We're at that point in response to demand where the company now has to manage its success and make the transition to the theoretical opportunity."

In a matter of months last year, Georgetown had to drastically expand the capacity of its telephone order center and the software that served it and enlarge its inventory and order-filling systems.

Rapidly expanding entrepreneurial companies such as Georgetown "need capital and resources to take their business to a higher plane, yet it's hard to maintain consistency and credibility with their banks without a long track record," said Jill Krutick, an analyst with Smith Barney Inc.

Demand for Magic Attic dolls is driven not only by the colorful world of its catalog but also by 17 books from the Magic Attic Press. The company has shipped 1.5 million books to date and profits from orders for accessories ranging from nightgowns and ballet outfits to bedding and bedroom sets.

The dolls in the Magic Attic Club — Allison, Megan, Heather and Keisha — are four best friends who discover a trunk full of costumes in the attic of a neighbor's house. In the books, which have similarities to C.S. Lewis's "The Chronicles of Narnia," the dolls are transported by a magic mirror on adventures.

In 1994, Georgetown distributed 100,000 Magic Attic catalogues and sold more than 2,000 dolls, a giddy success for an untested, expensive product. Last year Georgetown got a \$5 million working-

See DOLLS, Page 17

## CURRENCY & INTEREST RATES

Cross Rates									
	\$	£	DM	¥	₹	₪	₧	₡	₪
American	1.00	0.65	1.93	106.5	200.48	36.36	166.37	1.78	1.64
British	1.55	1.00	2.93	161.25	308.35	56.76	265.35	2.69	2.50
French	6.55	4.36	1.00	65.55	125.63	22.36	103.75	1.08	1.00
German	0.50	0.32	0.35	19.36	36.36	6.55	30.90	0.32	0.30
Japanese	0.0094	0.0062	0.015	1.00	18.75	0.18	0.87	0.0094	0.0087
Italian	1.36	0.88	2.00	103.75	193.60	35.36	166.37	1.36	1.25
Spanish	166.37	107.66	236.47	12562.50	2364.60	436.36	2037.50	16.64	15.36
Swiss	0.75	0.49	1.00	73.36	136.36	24.36	113.75	0.75	0.70
Thai	5.50	3.50	7.80	400.00	750.00	136.36	636.36	5.50	5.00
Turkish	1.78	1.15	2.50	125.63	236.47	43.63	203.75	1.78	1.64
U.S. dollar	1.00	0.65	1.93	106.5	200.48	36.36	166.37	1.00	0.94
1 SDR	1.00	0.65	1.93	106.5	200.48	36.36	166.37	1.00	0.94

Libor-Libor Rates									
	1-month	3-month	6-month	1-year	2-year	3-year	5-year	10-year	30-year
American	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
British	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
French	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
German	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Japanese	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Italian	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Spanish	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Swiss	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Thai	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Turkish	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
U.S. dollar	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
1 SDR	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

Key Money Rates									
	1-month	3-month	6-month	1-year	2-year	3-year	5-year	10-year	30-year
American	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
British	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
French	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
German	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Japanese	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Italian	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Spanish	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Swiss	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Thai	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Turkish	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
U.S. dollar	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
1 SDR	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

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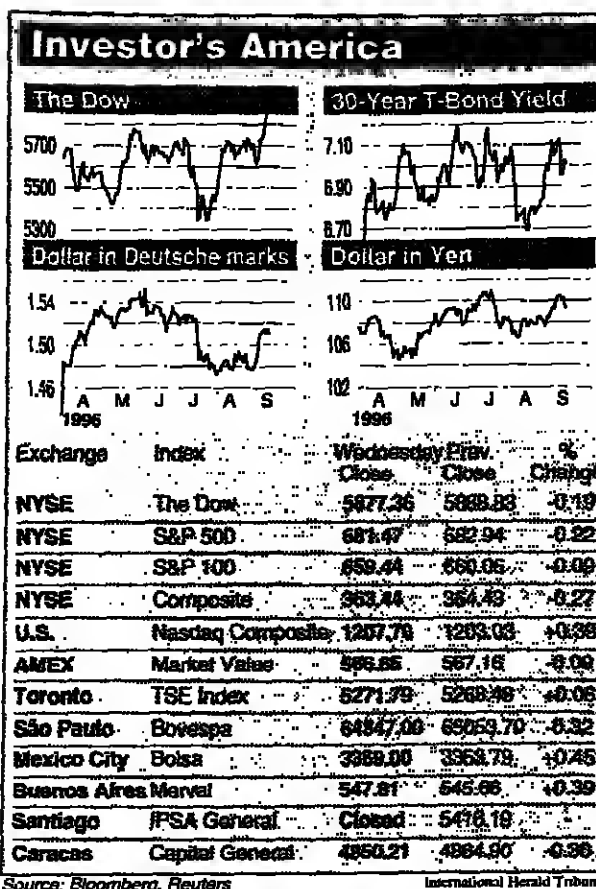
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## THE AMERICAS



## Very briefly:

## Allied Waste to Buy Laidlaw Line

SCOTTSDALE, Arizona (Bloomberg) — Allied Waste Industries Inc. said Wednesday it had agreed to acquire the solid-waste business of Laidlaw Inc. for about \$1.5 billion in cash, stock and assumed debt.

After the acquisition, Laidlaw, based in Burlington, Ontario, will hold about 20 percent of Allied Waste's common shares. Allied Waste provides waste collection, transfer, recycling and disposal services to more than 395,000 residential and commercial customers in the United States. Laidlaw provides hauling and recycling services and operates landfills in the United States and Canada.

• Ted Turner's role in managing the combined Time Warner Inc. and Turner Broadcasting System Inc. will focus on the cable network business. Time Warner said Mr. Turner, as vice chairman, would oversee the HBO, Cinemax, CNN and other cable network operations once Time Warner completes its purchase of Turner Broadcasting.

• Trans World Airlines Inc. will shut plants in four countries, cut its work force by 17 percent, or 600 jobs, and take a pre-tax charge of \$46 million to cut costs. Plans will close in Rutland, Vermont; Tours, France; Tipperary, Ireland; and St. Petersburg, Russia.

• Trans World Airlines Inc. expects third-quarter earnings before interest, taxes and other items to fall short of the year-earlier quarter's \$45.8 million. It blamed a loss of international bookings after the still unresolved crash in July of its Flight 800 from New York to Paris, which killed all 230 people aboard.

• WMX Technologies Inc.'s Rust International Inc. subsidiary agreed to sell its industrial scaffolding business to two investment groups for \$190 million.

• Heilig-Meyers Co. agreed to buy a rival furniture retailer, Rhodes Inc., in a stock swap valued at \$65 million.

• A.G. Edwards Inc.'s second-quarter earnings rose 21 percent, to \$52.2 million, fueled by growth in its underwriting and financial advisory businesses.

## Advertisers Find Less Costs More On Network TV

By Paul Farhi  
Washington Post Service

WASHINGTON — Here's the great paradox of the U.S. network-television business: Advertisers are deserting in droves, yet advertisers keep paying ever higher prices for commercial air time. For TV advertisers, less costs more.

As the new U.S. television season begins this week, it's the same old show. The four leading networks have collected a record \$5.8 billion in advertiser commitments despite losing 8 percent of their viewers in prime time last year. The two top-rated shows — NBC's "Seinfeld" and "ER" — are likely to become the first regular series to break the \$1 million-a-minute mark, according to the trade magazine Advertising Age.

TV advertisers recognize a simple reality: Despite the declining draw of the broadcast networks, they are still the best way to reach a lot of people all at once.

This fact alone helps explain why the four networks — ABC, CBS, NBC and Fox — still command the majority of TV advertising dollars in a world in which the competition seems to grow daily, whether from cable channels, independent broadcast stations, videocassettes or satellite-delivered movies.

"For any marketer who must reach a mass audience, there's a logic" to the heavy spending, said Gene DeWitt, whose DeWitt Media buys air time for BMW, Evian water and other network advertisers.

The four leading networks collectively attracted 61 percent of the TV audience each night last season. That is the lowest four-network total ever, but it is still a sizable majority. The remaining 39 percent of the audience was split, or "fragmented," in TV adspeak, among 180 alternatives, according to Nicholas Schiavone, NBC's leading research officer.

The dynamics of the TV marketplace perhaps are best illustrated by the contest taking place on the U.S. airwaves on Thursday nights.

Thursday is NBC's original "must-see" night, during which it airs the three most popular shows on television: "ER," "Seinfeld" and "Friends." Given their high ratings, it is no surprise that some of the cheapest air time is available opposite these shows on CBS's low-rated lineup of "Diagnosis Murder" — a mystery program with Dick Van Dyke as a surgeon/investigator — and "Moloney," about a police psychiatrist.

But neither audience size nor demographic factors completely explain the disparity between the price of 30 seconds on "Seinfeld" (\$550,000, according to Ad Age estimates) and on "Diagnosis Murder" (\$60,000). Commercial time on "Friends" and "Seinfeld" has been bid up by the "halo effect," advertisers say.

"It's the opinion-leader theory," said Steve Grubbs, national broadcast director of the ad agency BBDO. "Friends" and "Seinfeld" are considered the coolest shows on the air. The trendsetters are watching it, and those are the people you especially want to influence."

While advertisers increasingly bid up the high-profile network programs, demand at the bottom of the network heap has softened somewhat. In its annual survey, for instance, Ad Age found that five broadcast programs now fall below the level of \$70,000 for 30 seconds that three years ago represented rock bottom.

## Weak Exports Hold Back Blue Chips

NEW YORK — Blue-chip stocks were little changed on Wednesday, held back by news that exporters had a bad month in July, but computer-related issues gained for the second day.

The Dow Jones industrial average closed down 11.47, at 5,877.36, in late trading, but the Nasdaq Composite Index, which contains many high-technology issues, rose 2.40, to 1,207.76.

The July U.S. trade report formed the biggest obstacle for the market, by suggesting that economic growth in the third quarter ending Sept. 30 may not be as robust as some investors expected.

Total U.S. exports fell 3.6 percent in July, to \$67.2 billion, and prompted some economists to think of lowering their third-quarter growth forecasts for the entire economy.

"I don't think the foreign markets,

especially the European markets, are recovering the way people thought," said Gil Knight, director of research at Allied Investment Advisors, who helps overseas \$4 billion in assets. "There doesn't seem to be any great economic advance in Europe, so who's going to have the money to buy?"

## U.S. STOCKS

"Things are cloudy," said Alan Ackerman, a market strategist at Falmestock & Co. On top of the apparent slowdown in exports is investors' "fear that higher interest rates may be ahead," possibly as soon as next week's meeting of the Federal Reserve Board's policy-making committee, he said.

Medical-instruments companies suffered after a report suggested that a popular device used to evaluate the heart

could actually hasten the death of some patients.

Baxter International dropped 3/8 to 44 3/4 and Johnson & Johnson dropped 3/8 to 49 3/4.

Banks shares fell for a second straight day. The short-term rates that banks pay savers held steady after climbing Monday amid concern the Fed would boost rates next week.

Citicorp was down 1/8 to 87 1/4 and Wells Fargo dropped 1 1/4 to 259 1/4.

The yield on the benchmark 30-year bond rose to 7.01 percent, up slightly from 6.99 percent on Tuesday.

The increase on Nasdaq was led by computer-related shares, which benefited from the perception that some companies will do well for the sixth consecutive year. Intel rose 1 1/4 to 95 1/4, and Microsoft rose 2 1/4 to 136 1/4.

(Bloomberg, AP)

## Wider U.S. Trade Deficit Hits Dollar

NEW YORK — The dollar slumped against the yen on Wednesday after the U.S. government said the American trade deficit widened in July.

The trade shortfall ballooned 42.7 percent in July, to \$11.7 billion, the largest gap since the government started reporting trade in goods and services on a monthly basis in January 1992. It topped analysts' forecast of about \$8.8 billion.

"The fact is, a deficit of \$11 billion in goods and services is not a pretty picture," said Dennis Pettit, foreign exchange manager at Long-Term Credit Bank of Japan. "It triggered some fairly large selling of dollars."

An expanding trade gap leaves overseas exporters with a wealth of dollars,

which they often exchange for their own currencies when bringing money home.

The dollar tumbled to 109.20 yen from 110.26 yen at the close in New

York trading. The dollar also slumped to 1.5095 Deutsche marks from 1.5143 DM.

## FOREIGN EXCHANGE

Against other major currencies, the dollar was quoted at 1.2420 Swiss francs, down from 1.2441 and at 1.4110 French francs, down from 1.4138.

The pound rose to \$1.5606 from \$1.5557.

The trade gap with Japan widened about 33 percent, to \$4.307 billion, in July from June.

The increase in the trade gap resulted

from a 1.2 percent rise in imports, led by oil, autos and consumer goods, and a 3.6 percent decrease in exports, reflecting weaker demand for industrial products and aircraft.

Alice Rivlin, the vice chairman of the Federal Reserve Board, downplayed the trade report at a conference in New York. "I don't think anyone should change their mind based on one month's statistics."

Analysts agreed that the fall in exports reflected the weakness of economies overseas. "The drop in exports isn't very encouraging," said Chris Leggo, currency strategist at Barclays Bank. "It illustrates that the U.S. economy is stronger than its trading partners. We will likely see a higher trade deficit going forward."

## INTERNATIONAL FUTURES

Sept. 18, 1996

High	Low	Close	Open
<b>Grains</b>			
<b>CORN (CBO)</b>			
Oct 1	2.34	2.34	2.34
Nov 1	2.34	2.34	2.34
Dec 1	2.34	2.34	2.34
Jan 1	2.34	2.34	2.34
Feb 1	2.34	2.34	2.34
Mar 1	2.34	2.34	2.34
Apr 1	2.34	2.34	2.34
May 1	2.34	2.34	2.34
Jun 1	2.34	2.34	2.34
Jul 1	2.34	2.34	2.34
Aug 1	2.34	2.34	2.34
Est. sales: 100,000			
<b>SOYBEAN MEAL (CBO)</b>			
Oct 1	2.34	2.34	2.34
Nov 1	2.34	2.34	2.34
Dec 1	2.34	2.34	2.34
Jan 1	2.34	2.34	2.34
Feb 1	2.34	2.34	2.34
Mar 1	2.34	2.34	2.34
Apr 1	2.34	2.34	2.34
May 1	2.34	2.34	2.34
Jun 1	2.34	2.34	2.34
Jul 1	2.34	2.34	2.34
Aug 1	2.34	2.34	2.34
Est. sales: 100,000			
<b>SOYBEAN OIL (CBO)</b>			
Oct 1	2.34	2.34	2.34
Nov 1	2.34	2.34	2.34
Dec 1	2.34	2.34	2.34
Jan 1	2.34	2.34	2.34
Feb 1	2.34	2.34	2.34
Mar 1	2.34	2.34	2.34
Apr 1	2.34	2.34	2.34
May 1	2.34	2.34	2.34
Jun 1	2.34	2.34	2.34
Jul 1	2.34	2.34	2.34
Aug 1	2.34	2.34	2.34
Est. sales: 100,000			
<b>WHEAT (CBO)</b>			
Oct 1	2.34	2.34	2.34
Nov 1	2.34	2.34	2.34
Dec 1	2.34	2.34	2.34
Jan 1	2.34	2.34	2.34
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Oct 1	2.34	2.34	2.34
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would cut 3,500 Swiss jobs as part of a worldwide shake-up that would eliminate 5,000 positions in all. Union Bank of Switzerland also plans steps to improve its domestic business but has not announced details.

In April, Union Bank rebuffed a merger proposal from CS Holding that would have led to as many as 20,000 job losses worldwide.

"The banks are becoming leaner and leaner, and that will certainly help profits in the future," said Patrick Carisch, who manages funds totaling 550 million francs at Swiss Volksbank. "It's bad news for the Swiss economy, though."

Swiss Bank's move is the third major job-elimination plan announced this year in a country unaccustomed to mass layoffs. Before CS Holding, the drugmakers Sandoz AG and Ciba-Geigy AG said in March they would cut 3,000 Swiss jobs as part of their plan to merge and form Novartis AG.

Swiss Bank shares rose 4.75 francs in Zurich, to 241.50, lifting other banking shares. CS Holding gained 1.25, to 123.75, and UBS bearer shares rose 16, to 1,160.

(Bloomberg, AP)

cut in the tender rate, to 3.10 percent from 3.25 percent, had been made to stimulate the economy in a time of low inflation, Mr. Christensen said economic conditions did not warrant a cut. On Tuesday, the government said industrial production rose 5 percent in July from a year earlier, more than expected.

The mark ended at 3.0058 markkaa after the Bank of Finland's moves, up from 2.9990 markkaa at its intraday low.

### Investor's Europe

**Frankfurt  
DAX**

**London  
FTSE 100 Index**

**Paris  
CAC 40**

Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	EOE	563.16	564.27	-0.20
Brussels	Stock Exchange	9,719.18	9,691.09	+0.29
Frankfurt	DAX	2,625.70	2,628.09	-0.09
Copenhagen	Stock Market	429.38	426.95	+0.10
Helsinki	HEX General	2,142.24	2,156.63	-0.67
Oslo	OBX	459.72	462.43	-0.59
London	FTSE 100	3,955.70	3,972.30	-0.42
Madrid	Stock Exchange	357.39	358.38	-0.28
Milan	MBTEL	9,516.00	9,588.00	-0.75
Paris	CAC 40	2,072.73	2,080.86	-0.39
Stockholm	SX 16	2,142.12	2,159.68	-0.81
Vienna	ATX	1,030.73	1,023.50	+0.71
Zurich	SPI	2,365.47	2,388.72	-0.05

Source: Telexurs

International Herald Tribune

- **The European Commission** opened separate inquiries into a proposed 2 billion French franc (\$389.1 million) capital injection from the **United Societe Marseillaise de Credit** and a recapitalization plan valued at 2.2 billion Belgian francs (\$70.8 million) for the steelmaker **Forges de Clabecq SA**. The commission also will try to decide in October whether to clear a rescue plan for **Alitalia Airlines**.
- **Morgan Grenfell Asset Management Ltd.** fired the suspended fund manager **Peter Young** on grounds of "gross misconduct" after an investigation into improper trading in three of the company's funds.
- **Cordiant PLC** bought the 47 percent stake it did not already own in the French unit of **Saatchi & Saatchi Worldwide** for 171 million francs. The shares had been held by current and former employees.
- **British retail sales** grew 1.6 percent in June through August from the previous quarter, the steepest rise since 1988.
- **British Telecommunications PLC** and the Dutch railway company, **Nederlands Spoorwegen**, started a joint venture that seeks to operate mobile-phone and other telecommunications services in the Netherlands.

A.F. Bloomberg, Reuters

The companies will invest about 250 million Deutsche marks (\$165 million) in MediaWays over the next four years. The venture seeks to combine the technical know-how of Daimler's services division with Bertelsmann's media skills.

	Low	Close	Prev.		High	Low
0.67	16.53	18.58	12.60	Berlitz Agricul	710	8
5.32	5.24	5.29	5.24	Berlitz Lervora	11000	109
2.04	2.01	2.02	2.04	Berlitz Roma	1220	12

The Trib Index				Closing prices.			
Jan. 1, 1992 = 100	Level	Change	% change	Year to date % change	1991 % change	1990 % change	1989 % change
<b>World Index</b>	139.47	+0.03	+0.02	+5.76			
<b>Regional Indices</b>							
<b>Asia/Pacific</b>	128.86	+0.40	+0.31	-4.02			
<b>Europe</b>	146.97	-0.18	-0.12	+5.60			
<b>N. America</b>	146.19	+0.07	+0.05	+13.96			
<b>S. America</b>	111.36	-0.23	-0.21	+25.07			
<b>Industrial Indices</b>							
<b>Capital goods</b>	151.71	+0.43	+0.28	+14.17			
<b>Consumer goods</b>	148.85	-0.39	-0.26	+7.81			
<b>Energy</b>	149.90	+0.04	+0.03	+10.53			
<b>Finance</b>	119.34	+0.30	+0.25	-6.20			
<b>Miscellaneous</b>	145.63	-0.02	-0.01	+7.23			
<b>Raw Materials</b>	164.09	-0.57	-0.34	+16.35			
<b>Services</b>	128.95	-0.16	-0.12	+7.54			
<b>Utilities</b>	130.77	+0.76	+0.58	+2.86			

The International Market Thru World Stock Index (S&P) tracks the U.S. dollar value of 200 internationally investable stocks from 25 countries. For more information on these free booklets is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, B2521 Neudilly Cedex, France.

Compiled by Bloomberg Business News



The 1,000 most-traded National Market securities  
In terms of dollar value, updated twice a year.  
*The Associated Press.*

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*[The page contains dense handwritten notes in cursive script, likely bleed-through from the reverse side. The handwriting is difficult to decipher due to its style and density.]*

[illegible]**Wednesday's 4 p.m. Close**[illegible][illegible]

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ASIA/PACIFIC

# Japan's Rate Horizon: Flat for 'A Long Way'

**Bloomberg Business News**  
TOKYO — Many analysts expect the Bank of Japan to keep interest rates at their current record lows through the first quarter of next year, no matter what the government says about an economic recovery.

The news late last week that the economy shrank in the second quarter, coupled with the pessimism voiced by manufacturers in a recent Bank of Japan survey, strengthened the belief that the central bank has no room to raise rates. Toinoko Fujii, an economist at Salomon Brothers Asia, said.

The Bank of Japan halved its discount rate, the rate at which it makes loans to commercial banks, to 0.5 percent in September 1995, and it has guided rates on loans between banks even lower.

Mr. Fujii and others said there were few economic fundamentals that were pointing toward higher rates in any case. Inflation in Japan is near zero, monetary growth is just above 3 percent, and Japanese banks need low rates to continue disposing of trillions of yen in bad loans.

The Economic Planning Agency said Friday that gross domestic product shrank 0.7 percent in the quarter ended June 30, the first

## Tokyo's Trade Surplus Declines Sharply

**Compiled by Our Staff From Dispatches**

TOKYO — Japan's trade surplus showed a steep decline for the 21st consecutive month in August, giving Prime Minister Ryutaro Hashimoto some good news to take to his summit with U.S. President Bill Clinton next week.

Japan's customs-cleared trade surplus, often the source of disputes with the United States, fell 31 percent in August from a year earlier, to \$69.5 billion yen (\$3.35 billion), the Finance Ministry said on Wednesday.

The surplus with the United States fell 17 percent, to \$22.3 billion yen.

"The trade surplus is moving in a direction desirable for both Japan and the

United States," said Kanami Noda, economist at Wako Research Institute of Economics. "The two nations still have problems concerning several trade items, but have nothing to worry about on the macro-economic front."

Imports in August grew 16.6 percent from a year earlier, drawing strength from a 53.8 percent jump in oil imports caused by increased prices. Exports, meanwhile, grew 8.7 percent.

The nation's largest trade deficit was with China. Japan imported 212.924 billion yen more than it exported in August, an increase of 52.3 percent.

(Reuters, Bloomberg)

decline in Japan's output of goods and services within its borders in a year and a half.

The government "tried to draw an optimistic assessment of the economy" from the data to avoid the need for an economic stim-

ulus package, Mr. Fujii said, but "the economy still needs support, so the Bank of Japan's low-rate policy is a necessity."

Finance Minister Wataru Kubo said Tuesday the government was inclined not to draw up a stimulus package.

The economy, he said, grew 3.1 percent in the first half of 1996, and the government believes it will reach its target of 2.5 percent for the full year.

"The government's resolve not to draft a supplementary budget makes the outlook for the economy very uncertain," said Mikinao Matsushita, a fund manager at Tokyo-Mitsubishi Asset Management, so any rise in short-term rates would be "a long way in the future."

David Cohen, a money-market analyst at MMS International, said the central bank would wait to see its next two quarterly tankan surveys of business sentiment, due in November and in February, before deciding on any tightening, and he said some others were predicting the bank would wait even longer.

Marshall Gittler, a fixed-income strategist at Merrill Lynch Japan Inc., said: "I think the Bank of Japan needs at least two quarters of strong economic growth. One quarter isn't enough to be really sure."

He said the central bank may refrain from a rate increase until the next fiscal year, which begins April 1, 1997.

Government officials acknowledged they hoped the central bank would continue its low-rate policy.

Investor's Asia			
Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225	
11800	2500	23000	
11400	2400	22400	
11200	2300	21800	
11000	2200	21200	
10800	2100	20600	
1996	1996	1996	
A M J J A S	A M J J A S	A M J J A S	
Exchange	Index	Wednesday	Prev. %
		Close	Change
Hong Kong	Hang Seng	11,594.83	-11,621.61 -0.24
Singapore	Straits Times	2,182.31	2,185.05 -0.31
Sydney	All Ordinaries	2,235.18	2,254.40 -0.88
Tokyo	Nikkei 225	21,156.75	21,310.59 -0.72
Kuala Lumpur	Composite	1,128.74	1,134.88 -0.54
Bangkok	SET	1,088.03	1,050.35 -1.17
Seoul	Composite Index	782.10	781.75 +0.04
Taipei	Stock Market Index	6,499.02	6,478.44 +0.32
Manila	PSE	3,248.55	3,259.72 -0.34
Jakarta	Composite Index	559.70	561.94 -0.40
Wellington	NZSE-40	2,234.95	2,238.90 -0.18
Bombay	Sensitive Index	3,414.01	3,347.37 +1.99

Source: Telekurs

International Herald Tribune

## Malaysia Firm Plans Asian Rating Venture

**Bloomberg Business News**

KUALA LUMPUR — Rating Agency of Malaysia Bhd. said Wednesday it planned a joint venture with an American company to create a regional ratings concern for Asia.

Suresh Menon, general manager of the Malaysian credit-rating company, refused to identify its prospective U.S. partner or say when the venture would begin. He said the venture would require capital of only \$300,000 to \$1 million and said more details would be announced next week.

Asian companies have been critical of what they called harsh treatment from

the major U.S. ratings concerns, Moody's Investors Service Inc. and Standard & Poor's Corp.

In July, Bank of China attacked Moody's as "unfair and not objective" for assigning a credit rating just above the speculative level to its sister banks in Hong Kong.

Incidents such as that, Mr. Menon said, will help attract Asian companies to a local rating concern.

"When a big agency comes to Malaysia, they don't have the knowledge of the local market," he said. "We will provide the American agency with the local perspective of the issuer."

In another break with the standard practice of Moody's and S&P, the Malaysian concern's venture will review a company's credit rating only when the company requests it.

A Moody's representative said the New York-based company had been wary of alliances with other rating agencies lest it jeopardize its independence and integrity. But Mr. Menon's plan has some support among institutional investors.

Information from a local agency could provide insight that an American agency might not have, said Hana Duong, a fund manager at Commercial Union Asset Management (Singapore) Ltd.

### Very briefly:

• NEC Corp. said that weak chip prices are likely to force it to report a lower group net profit than the 80 billion yen (\$726.7 million) it had previously forecast.

• Siemens AG of Germany plans to sell European-made memory chips in Japan next year through Fuji Electric Components Ltd., which is 80 percent owned by Siemens and 20 percent by Fuji Electric Co. Ltd.

• Air New Zealand's proposed 475 million dollar (\$374.3 million) purchase of a 50 percent stake in Ansett Australia Ltd. from TNT Ltd. was approved by the Australian government. Of the 475 million dollars cost to Air New Zealand, 325 million dollars will go to TNT for its shareholding and the remaining 150 million dollars would go into Ansett as a capital injection. News Corp., which owns the other half of the airline, will give Ansett 50 million dollars.

• South Korea's steelmakers had a record level of inventory

at the end of July because of a 30.8 percent drop in exports of steel products since the beginning of the year.

• Xi'an Aircraft Co.'s soared to 960 million yuan (\$115 million) in the first eight months of the year, up 40 percent from the Chinese company's like period of 1995.

• Australia said it would lift the notification threshold that applies to portfolio investments by foreign interests in the media sector to 5 percent.

• The Philippines said its budget surplus more than tripled in the first half of the year, thanks to higher tax revenues and rising profits at state banks.

• Transwater Corp. said it had submitted a proposal to the Malaysian government to build and operate a 1.1 billion ringgit (\$441 million) road and rail link from Malaysia's southernmost state of Johor to Singapore.

AFP, Bloomberg, Reuters

## Fraud Roils Taiwan Funds

### Investors Flee After Banks Disclose Fake Investments

**Bloomberg Business News**

TAIPEI — Taiwan mutual funds are losing the confidence, and the cash, of investors as a multi-million dollar fraud scheme compounds growing concern about the industry's poor performance.

A movement by investors to withdraw their money was given new momentum on Tuesday following the disclosure by authorities that two fund-management companies bought 38 million new Taiwan dollars (\$1.38 million) of bogus investments.

"Investors' view of the industry is probably not ideal right now," said Michael Chi, a spokesman for Taiwan Securities Investment Trust Co. "We can only keep trying to improve."

Investors redeemed 16 billion of investments on Tuesday, after Taiwan Securities Investment Trust Co. said it purchased 450 million dollars of fake CDs from Chung Shing Bank, a Taiwanese business newspaper reported.

Another fund company, Chronicle Securities Investment Trust Co., said it had bought 600 million dollars of the bogus CDs. A Chronicle executive was detained for questioning.

For Taiwan's fund industry, those were no small redemptions. The withdrawals amounted to about 4 percent of the 417.2 billion dollars managed by the industry as of August.

Authorities recovered all but 120 million dollars of the funds invested in bogus CDs, and the chief suspects were detained, the Finance Ministry said. No other fund companies bought the CDs. All that helped boost Taiwan stocks today.

Investors' confidence, though, may take more time to recover.

"They'll be some damage to investor confidence from this," said Ben Chang, vice president at Kwang Hua Securities Investment Trust Co., one of Taiwan's largest mutual fund management companies. "It's a tough road."

## AMEX: All the Right Moves May Not Be Enough

Continued from Page 13

flag with the U.S. Justice Department, which is looking into possible violations of antitrust law and which recently requested information from MasterCard's board of directors. MasterCard and Visa say they are acting properly to protect their brands.

American Express's domestic consumer credit-card operation is the laggard in a company that is scoring successes in its investment and corporate-services areas.

"If you go down the list of indicators of market performance, we have gained ground on most of them," said Harvey Golub, the company chairman. Market share is up in mutual funds, annuities, travel agencies and travelers' checks, he said, and is steady in corporate cards.

Moreover, he said, the company anticipates growth from other sources, including investments sold both through financial advisers and its new "Direct" operation, a menu of self-service brokerage options modeled after a similar one used by Charles Schwab Corp.

Also projected for growth are such segments as cards for corporate purchasing managers and prepaid cards that are essentially plastic versions of travelers' checks.

The company's profit was up 11 percent in the first half of the year to \$849 million. But its revenue, ignoring one-time gains, was up only 6 percent to \$7.7 billion. Profits from travel-

related services grew by only 8 percent and the unit's revenues were flat.

While many analysts see the appeal of the American Express brand to the banks, they wonder whether the banks will tarnish the company's image.

"They are taking a big gamble, running the risk of denigrating service and denigrating the brand," said Edwin M. Cooperman, a former top credit-card executive at American Express. "To say, 'We don't think we have the creativity to dramatically distinguish our products on our own,' is a little defeatist."

American Express executives now realize they made another mistake in recent years that may ultimately be as costly as letting airline cards and no-fee gold cards slip from their grasp. Five years ago, the company slowed much of its overseas activities, despite its early lead in many nascent markets for credit cards. This opened the way for foreign banks — most significantly, Citibank — to tap the desire of the emerging middle classes in developing countries for MasterCard and Visa cards.

To catch up, Mr. Golub is counting on deals with local banks as well as starting a revolving-credit card in Hong Kong that carries an 18 percent interest rate, quite a bit below the prevailing 24 percent charged by rivals.

"We have not done the job we needed to in international," Mr. Chenault conceded. "Our management attention was focused on fixing the U.S. first."

## DOLLS: Small Firm Finds It Must Grow or Fail

Continued from Page 13

capital investment from State Street Bank & Trust in Boston and Key Bank of Maine in Portland.

Georgetown came out of the armless-dolls episode without any profits in 1995 but with \$3 million in sales for the year, and the company hopes to double that in 1996, again largely in the coming holiday season.

Its sales, however, are still minuscule in comparison with the \$187 million registered in 1995 by Pleasant Co. of Middleton, Wisconsin, which basically created the market for high-priced vinyl dolls 10 years ago.

Although giant toy companies have generally ignored older girls, small companies like Magic Attic and Pleasant Co. are offering dolls that sell for \$40 to \$130 and more.

Jeffrey H. McKinnon, the 44-year-old president of Georgetown, credits Pleasant with "pioneering a unique new marketing approach to bringing a new type of play experience to older girls."

But he added, "We felt there was room in the market for another entrant," specifically one that offered finely detailed dolls for \$39 instead of Pleasant's \$82 and that focused on contemporary dolls.

A former elementary-school teacher and textbook writer and publisher, Pleasant T. Rowland, Pleasant Co.'s founder and president, termed Magic Attic "the most extensive effort at imitation" among her competitors — "a shameless rip-off."

Mr. McKinnon started Georgetown in 1987. His experience in working with Chinese factories for a direct-mail supplier before that enabled him to manufacture lifelike sculpted porcelain dolls of good quality yet cheaper than many other collectible dolls, which sell to adult collectors for as much as \$10,000.

Mr. McKinnon soon won a 19 percent share of the market, which he continues to hold. The problem was that the audience for porcelain dolls in the United States is limited to an estimated 5 million avid collectors.

Mr. McKinnon then found a factory near Shenzhen, China, that specialized in high-quality vinyl molds, then brought his doll-making expertise to the production of toy dolls.

There are a number of other competitors in the expensive play-doll category.

My Twinn, of Littleton, Colorado, sells \$160 dolls, and Ertl Co. plans to roll out its Girlhood Journey line of dolls for between \$40 and \$50 in retail stores this Christmas season.



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## In Casablanca For Business

CASABLANCA IS A 20TH-century creation. It is Morocco's biggest city (with a population of 4 million), economic and business capital, and main communications center. The modern city was built by the French and has been enlarged since independence in 1956 by more than a hundredfold.

Casablanca has the buzz and bustle of a boomtown. Its streets teem with traffic and are lined with high-rise office and apartment buildings, crowded sidewalk cafés, cosmopolitan restaurants, bars and nightclubs, the best of them located on the ocean front at Ain Diab, south of the city center.

The city fans out from the harbor and the medina (the old city), a maze of narrow streets crisscrossed with small stores selling Moroccan handicrafts, including carpets, pottery, silver and gold jewelry, and traditional clothing like kaftans and belgha slippers. Buyers are expected to bargain.

In sharp contrast, a modern business district is clustered around the medina. Most of the best hotels are located there, along with shopping areas like the Rue Prince Moulay Abdallah and Avenue Mohammed V, and the Arab League park next to City Hall, with its clock tower, post office and neo-Moorish courthouse. The park features shady cafes for a relaxed drink or snack.

There are still some beautiful Art Deco style facades in this area left over from the French protectorate era, but most of the buildings are modern. For Moorish architecture, visit the recently built Hassan Grand Mosque south of the harbor. It is one of the world's largest mosques, with a 200-meter minaret topped with a laser beam pointing to Mecca.

The photo-worthy Habous quarter near the royal palace (take a cab there) is notable for its traditional Moorish architecture. Probably the finest pastry shop in the country, Chez Ben-Is, is located there.

South of the city center are the Oasis and Anfa residential quarters. Beyond is the Ain Diab waterfront area. To get there, just head for the El Hank lighthouse, then down along the coast.

The city center tends to be deserted at night, but the very popular Ain Diab area is usually crowded and lively into the small hours.

### At a Glance

From the air, Casablanca looks like a Spanish fan radiating out from the harbor and old city. At the hub are the high-rise buildings. There are few parallel streets; they all tend to converge on the harbor, with occasional semicircular boulevards.

### Getting Around

The ubiquitous bright-red "Petits Taxis" will take you anywhere inside the city limits, including Ain Diab. These small cabs are cheap but take only three passengers. Often their meters are not switched on or don't work, so it's best to agree on the fare before you start. The same goes for the limousine taxis that carry bigger parties and travel outside of the city.

Fast, air-conditioned, punctual and clean trains link Casablanca to Marrakech or Fes six times a day. There are also frequent domestic flights from Casablanca to Agadir, Marrakech and Fes. Always allow at least one hour to get to the airport.

### In a Word

Arabic is the national language, and Darija is the local dialect. French and

some Spanish are widely spoken in business and commerce, while English is increasingly used in the tourism sector. Street names and signs are bilingual, in French and Arabic.

### Wining & Dining

The staple dish of Moroccan cuisine is couscous made of steamed vegetables and lamb or poultry on a bed of semolina grains. The piece de résistance at a Moroccan meal might be a *pastilla*, a delicious flaky pigeon pie, or one of many types of *tajine*, a delicately spiced stew cooked slowly in an earthenware pot with a conical cover, containing meat or poultry and always accompanied by lemon, quince, prunes or almonds. Moroccan meals tend to be copious, ending with honey or almond pastries and piping hot green tea flavored with fresh mint.

Moroccan wines are well worth trying, especially the reds and rosés, and are relatively inexpensive. The lo-

cally brewed beer is good, too.

It is best to reserve a table at the better restaurants. The bill includes a 20 percent value-added tax, and you should add a 10 percent tip.

The following are among the better places to eat in comfort with a friendly ambience.

Al-Mounia, 95 rue Prince Moulay Abdallah. Tel.: 22 26 69. Typical Moorish restaurant with ornate interior decoration and a garden, located in the city center. Specializes in luscious Moroccan cuisine; famous for its *pastilla*.

Imilehil, Rue Vizir Tazi. Tel.: 22 09 99. Another good Moroccan restaurant with a Moorish decor and refined atmosphere. Like Al-Mounia, it's a favorite place to take visiting businesspeople for traditional cuisine.

Retro 1900, Centre 2000 (next to harbor gates). Tel.: 27 60 73. Decorated and furnished in fin de siècle style, the Retro specializes in what is called *cuisine internationale*, meaning mostly French. Good quality; well worth the money.

Tradition Cachet, Centre 2000 (next to harbor gates). Tel.: 20 93 10. Traditional kosher restaurant that serves tasty Moroccan Jewish specialties.

L'Entrecôte, 78 Avenue Mers Sultan. Tel.: 27 26 74. A no-frills restaurant with modest prices that is popular with businesspeople. Serves great steaks and seafood. Suitable for a quick lunch or dinner.

La Broche, 123 rue El Araar. Tel.: 27 85 99. Best for steaks and kebabs grilled on charcoal. They go well with the tangy Moroccan red wines.

Restaurant du Port, on left through harbor gates. Tel.: 31 85 61. One of the most popular fish restaurants in town. It is big, with a spartan decor and friendly atmosphere. As a waiter

ing mostly seafood, including paella. Moderately priced and open late afternoon for lunch.

Le Cabestan, next to El Hank lighthouse. Tel.: 39 11 90. French-owned, up-market restaurant notable for excellent seafood and traditional French dishes. Perched on the edge of a cliff, it has splendid views over the ocean. Service is swift and silent.

A Ma Bretagne, Boulevard Sidi Abderrahmane, Ain Diab. Tel.: 36 18 81. Considered one of the best restaurants in Casablanca. It caters to gourmets and is located near a sandy beach. A modest lunch with wine costs about \$50 and is worth every cent.

L'Armstrong 1922 Jazz Club, 41 Boulevard de la Corniche, Ain Diab. Tel.: 39 76 56. For lovers of New Orleans jazz, blues and country music, a trendy bar frequented by local jet-setters.

Le Balcon 33, 33 Boulevard de la Corniche, Ain Diab. Tel.: 36 72 05 or 39 23 91. Restaurant, disco and bar with plenty of decibels. A popular haunt of the *jeunesse dorée*.

Sijilmassa Palace, Boulevard de Biarritz. Tel.: 39 13 50. Bar, restaurant and nightclub featuring Moroccan food, Oriental music and belly dancing in a Moorish decor.

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• Road accidents: 177.  
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Stephen O. Hughes

Next City  
LOS ANGELES

## Discovering Morocco With ITT Sheraton

THE FARLED SIGHTS OF Morocco offer the ideal backdrop for both business and leisure travelers, and ITT Sheraton has hotels in four of the country's most important cities, each of which has its own unique character.

In Casablanca, the Sheraton Casablanca Hotel (tel.: 212-2-31 78 78; fax: 212-2-31 51 36) is situated in the bustling center of town. International travelers will find an oasis of comfort and first-class service at the hotel.

The Sheraton Casablanca boasts excellent conference facilities, with a wide choice of room sizes and the latest high-tech equipment. This stunning deluxe hotel, with its top-flight culinary reputation, is also a perfect choice for social gatherings. It is within walking distance of the casbahs and the Place Mohammed V and just a short drive away from the famous Corniche.

The Sheraton Marrakech Hotel (tel.: 212-4-44 89 98; fax: 212-4-43 78 43) is also centrally located but is just 4 kilometers from the airport

and within walking distance of the Koutoubia Mosque, the Saadian tombs and the

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Menara gardens. The Royal Golf is just a few minutes away.

The tastefully decorated rooms offer lovely views over the garden or the swimming

pool. The hotel is renowned for its exceptional hospitality and services and its modern conveniences in a traditional Moroccan ambience. The Marrakech Conference Center helps to make this city, with its glorious past, fascinating monuments and rich culture, a popular destination.

Agadir, known as the city of the sea and the endless summer, is situated in the far south of Morocco. The five-star Sheraton Agadir Hotel (tel.: 212-8-84 32 32; fax: 212-8-84 43 79), nestled in a luxurious garden, offers a wide array of leisure facilities. Surrounded by luxuriant vegetation, the pool is an ideal place for sunbathing, swimming and relaxing. The sporting activities offered by the hotel include tennis and a nearby nine-hole golf course.

The Sheraton Agadir faces a superb bay with 9 kilometers of golden-sand beaches.

The Sheraton Fes Hotel (tel.: 212-5-62 50 02; fax: 212-5-62 04 86) opened in February 1995, bringing to four the number of ITT Sher-

aton hotels in Morocco. Situated in the oldest of Morocco's four imperial cities, the hotel combines international service standards with the warm conviviality of traditional Moroccan hospitality. Located in a business and residential area of the city,

the hotel is only 15 minutes from the airport and 10 minutes from the fascinating Old Town. The Sheraton Fes caters to both business and leisure travelers and is the perfect base for city visits and excursions outside of town.

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For reservations or further information call our Toll-free reservations office, your nearest hotel listed below or your local travel agent.



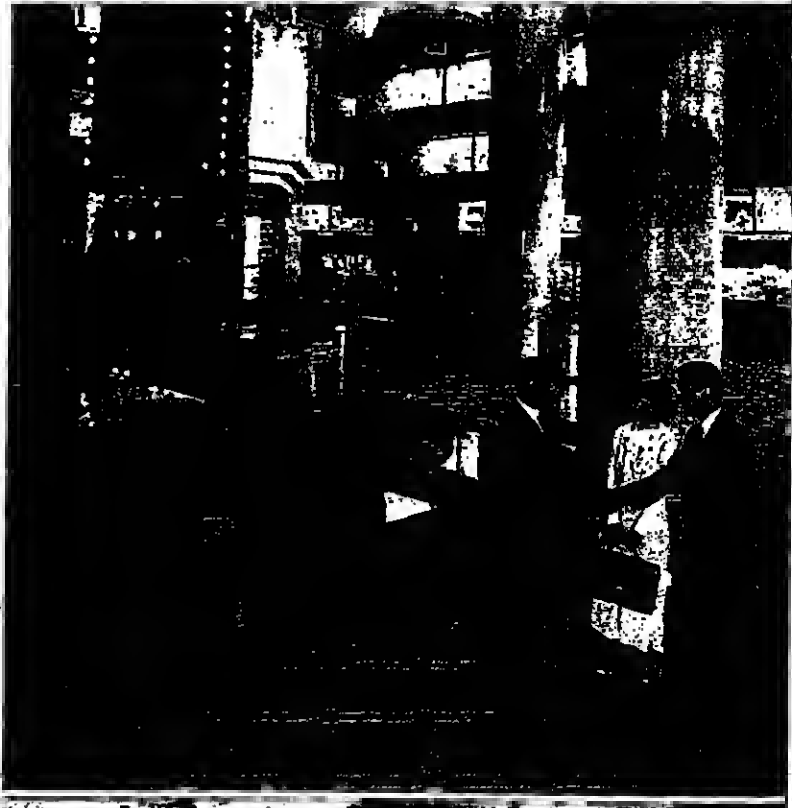
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PROGRAM DIRECTOR: Bill Mahler.

مكتبة من الأصيل







## WORLD ROUNDUP

## Di Renzo Breaks Away

**CYCLING** Marco Di Renzo won the 11th stage of the Tour of Spain, to Salamanca, on Wednesday after escaping for 150 kilometers (93 miles). It was the first successful breakaway of the race. Alex Zülle retained the overall leader's jersey.

Di Renzo and Ignacio Garcia Casmacho broke away on the climb to Menga, 20 kilometers after the start, and finished almost five minutes ahead of the peloton. (AFP)

## Zimbabwe Is in a Spin

**CRICKET** Spin bowlers Muthiah Muralitharan and Jayanthi Silva took four wickets each Wednesday in Colombo, as Sri Lanka dismissed Zimbabwe for 141 on the first day of the second test. (Reuters)

## Cantona Has to Pay

**SOCCER** Tom Doyle, a salesman, was awarded £350 (£344) in damages Wednesday after winning his claim that he was assaulted by Eric Cantona, a French star with Manchester United, in a hotel in England. Doyle claimed that he was grabbed around the neck, slapped and scratched on the arm.

Celia Vigo will kick off its Spanish league game against Real Betis an hour early on Sunday to allow Haim Revivo, to start Yom Kippur, the Jewish Day of Atonement. Revivo, the first Israeli to play in Spain, consulted a rabbi before agreeing to play at 6 P.M., which will allow him to get home before sunset. "It could be a bit of a rush, as I have to eat before the fasting," Revivo said. (Reuters)

## The \$500,000 Catch

**BASEBALL** When Eddie Murray's 500th home run landed, Dan Jones caught it. Jones agreed Tuesday to sell the ball to Michael Lasky, founder of the Psychic Friends Network, for \$500,000, the most ever paid for a piece of sports memorabilia. (AP)



Olympic track champion Jackie Joyner-Kersey (23) playing for UCLA in 1985. She said Tuesday she would play for the Richmond Rage in the new American Basketball League.

## Women Golfers Offer Familiarity Without Contempt

**CHEPSTOW, Wales** — It isn't sexist to say that the women are creating a more sensible version of the Ryder Cup.

Their version, the fourth Solheim Cup, begins Friday with a sense of mutual understanding among the two dozen women golfers, who have been split somewhat unusually into European and American teams. By comparison, the men have turned their Ryder Cups into golfing wars, not so much because men like that sort of thing but because the European men have remained mostly loyal to the European tour. For them, the Ryder Cup has offered a chance to seize credibility from the Americans.

The women, on the other hand, will probably be less hostile — which is bad for television and good in every other way. Two years ago, Dottie Pepper was accused of taunting the losing Europeans, but she was an anomaly. The rest don't share her approach, because most of them

earn their living together on the U.S. tour. "Most of the European players play on our tour for a good half of the year," said Beth Daniel, one of four Americans who have played in every Solheim Cup.

"A lot of people on their team are friends with all of us, and it's very difficult for us in that respect. They're trying to drum up the Ryder Cup atmosphere of hate, hate, hate, but it's just not like that for us. This week they're keeping us separated, but I know if this were a regular tournament I'd be having dinner one night with Liselotte Neumann."

Neumann is one of four Swedes on the European team. She makes her home 10 minutes from Daniel, in Florida. This year she couldn't afford to play more than four tournaments on the European tour — there just isn't enough money in it. Two-

thirds of the women on her team play most of their golf on the U.S. Tour. Laura Davies, Annika Sorenstam and Neumann — Europeans — rank two, three and four on the U.S. money list this year, with close to \$2 million between them.

America's sponsorship of women's golf shouldn't detract from the high quality of play over the upcoming 28 matches, concluding with the dozen singles on Sunday. Of the world's top 15 players, six are playing for Europe and eight for the U.S.

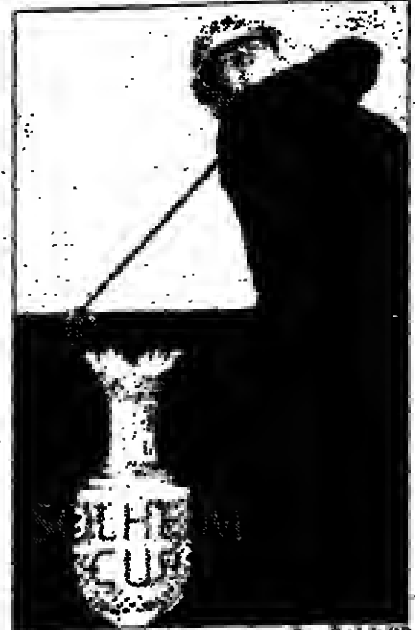
St. Pierre is home to the Welsh Open, but it has been altered and lengthened to 6,386 yards (par 72) and spiffed up since Lisa Hackney of England won her first career victory last May on her way to qualifying for the Solheim Cup.

The biggest home-course advantage might be the winds forecast to continue

through the weekend in south Wales. Without such varied conditions, Hackney and her three teammates who rarely play in America might be overmatched. In the brief run of Solheim Cups so far, the home side has won in a landslide — most notably in 1992, when the Europeans won 11½-6½ at Edinburg.

This time, Europe agreed to larger teams and what amounts to an extra day of doubles matches. Offsetting their problems of depth is the charismatic Mickey Walker, who is the only captain Europe has had, and the team understanding that a strong weekend might lift women's golf in Europe.

"In my lifetime, America will always have more strength and depth than we do," Walker said. "But I think we have 12, well, great players who are capable of beating the Americans." She paused before saying "great," as if she'd never considered such terms before.



Laura Davies practicing her driving at Chepstow on Wednesday.

## Drivers or Mechanics: Who Makes the Cars Go Fast?

By Brad Spurgeon  
International Herald Tribune

"In my day it was 75 percent car and mechanics, 25 percent driver and luck. Today it is 95 percent car. A driver can emerge in a good new car, become world champion, and a year later disappear to the back of the queue. Driving skill hardly counts anymore." — Juan-Manuel Fangio, in 1983.

**D**AMON HILL is likely to become world drivers' champion this weekend in Portugal, yet he is having difficulty finding an employer for next season.

When team boss Frank Williams said he was dropping Hill for a driver who regularly finishes at the back of the queue, many fans wondered why.

The choice of Heinz-Harald Frentzen to replace Hill was probably based on Frentzen's past. When he drove in sports-car championships before Formula One, Frentzen was often faster than the driver Williams fears most: double World Champion Michael Schumacher.

Williams has a reputation for believing that his cars make drivers win, rather than the reverse. But his decision to change drivers suggests this is not entirely true.

Some team owners, like Ken Tyrrell, believe the driver makes a difference. Since Jackie Stewart drove his team to victory for the first time in 1969, Tyrrell has discovered and hired some of the best drivers, including Jody Scheckter, Ronnie Peterson, and Jean Alesi.

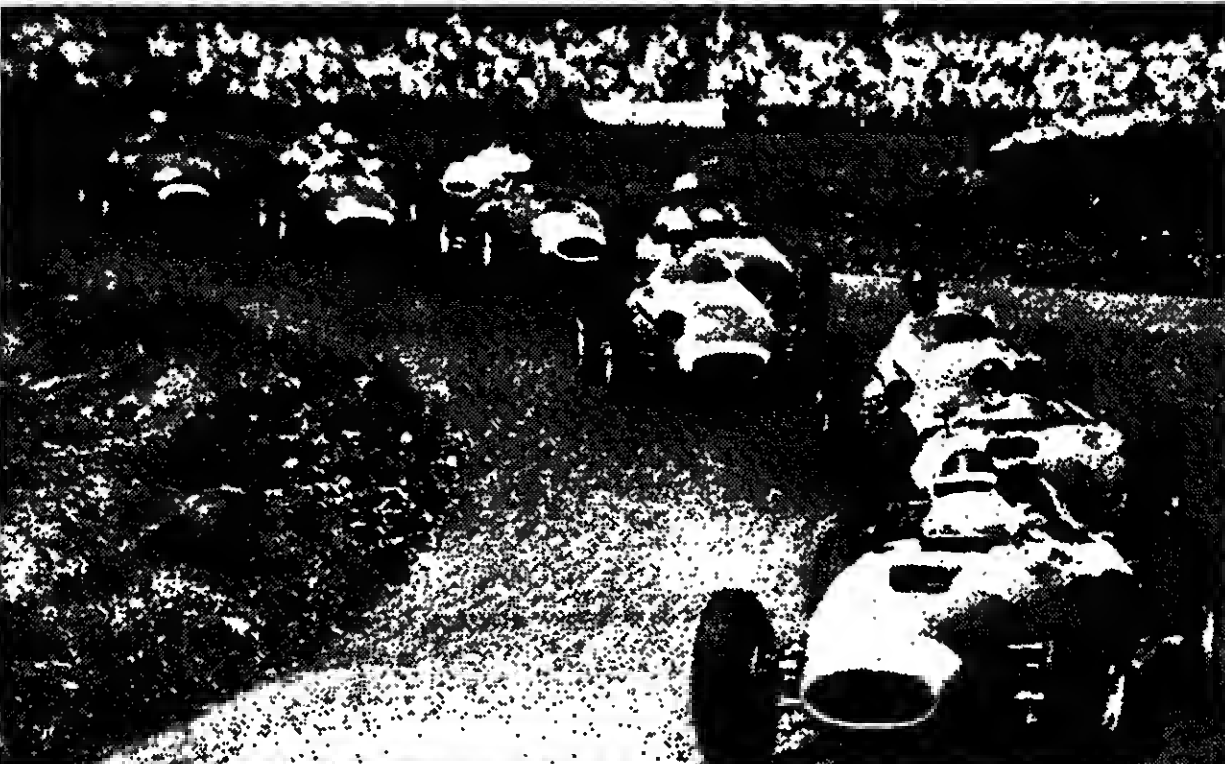
Tyrrell thinks four qualities can make one driver better than another. "First, the driver's natural talent to be able to drive fast," he said in a recent interview. "Second, the desire to win. You would be surprised at the number of drivers who enjoy driving racing cars but the desire to actually win is perhaps lacking."

"Third, the willingness to undertake thousands of kilometers of testing. You can put some of that work out to a so-called test driver if you're just doing reliability tests, but if you're looking to improve the car, you really want your Grand Prix drivers driving the car and you want them to be wanting to do that."

"My fourth point is that, during the testing, his ability to communicate to the team on the way the car is performing is absolutely vital to improving the car."

Analyzing what makes drivers fast has also occupied scientists in France since 1990 at the Institut Biomedical Sports & Vie. Among those who have studied are Alain Prost, the four-time World Champion, Olivier Panis of the Ligier team, and Tyrrell's test driver, Emmanuel Collard, who visits the institute twice weekly.

"We don't look at the driver as being simply fast because on one lap he can go faster," said Francois Dufrez, the institute's director. "You have to be fast throughout a whole Grand Prix, through a season, and through a career."



When drivers were in control? Mike Hawthorn leading with Juan-Manuel Fangio in 3d place at a race in 1957.

Good physical condition is the first priority, said Dufrez, no matter what natural talent the driver may have. "For a driver who is less strong physically, after a certain time his line will start to widen, he will commit an error here, an error there, and that will make him lose time."

"Fast reactions to peripheral vision is extremely important," Dufrez said. "It is still being researched, but we think when they are capable of taking in peripheral information — on the edge of the track, on the condition of the tires, while passing or being passed by another driver — and then can deal with it very rapidly by a motor movement, either the foot or the hand, that this is excellent."

But extra-fast reflexes are not always a good thing, Dufrez said, as they can lead to overreacting, and accidents.

He said the third factor was psychological. "It is necessary that these drivers have a very large capacity to surpass themselves," he said. "And they must be resistant to stress and bad luck. They must also be sincere. It is a very important quality so that they may describe very well the impressions they have in the car; they mustn't mask them."

"You would think that a Formula One driver would have to be very aggressive and impulsive. But the top guys are, on the contrary, very self-controlled, very egocentric, very autonomous, and very attentive."

Henri Pescarolo, a former Formula One driver who has won the 24 Hours of Le Mans four times, and who works

with young drivers at the Elf race-car school, said: "First, driving is a gift that comes from a certain mixture of chromosomes particular to that individual. Secondly, it's often a question of the psychological ability to climb the stages of a career. Some crack, some don't."

have the moral force, some don't have the spirit for the high level of competition."

Also vital, he said, was the desire to work. "For an individual who is very talented and who is strong psychologically, if he doesn't work a lot, he'll be

passing by someone who works more. That's the technological aspect, setting up the car, working with the engineers, developing his capacity to analyze the car to make it evolve."

"In the top teams with cars and a technical team that are more or less equal, I would put it at 50 percent car and 50 percent driver."

According to Craig Pollock, Jacques Villeneuve's manager, the contract a driver signs with the team is also of crucial importance. "Take Frentzen and his teammate today, Johnny Herbert," said Pollock. "Herbert is keeping up with, or going faster than Frentzen."

He said that when Herbert drove with Schumacher last year in a Benetton, Herbert was considerably slower than Schumacher.

"It means that Herbert and Frentzen have like-equipment," he said. "And it means that Herbert, when he was driving with Schumacher in the Benetton, didn't have like-equipment. Which gets back down to management, and how management negotiated the contract. That can affect a driver's career."

Tyrrell disagreed. He does not see why a team would give a better car to one driver, although one driver may occasionally benefit from a last-minute development.

"So, if you looked on the performance of Schumacher and Herbert during the course of the season," Tyrrell said, "whatever the average difference was in lap times, that's the difference between them."

"When Schumacher drove the Benetton it was a winner, and now he's not driving it, and it's not a winner."

## Rugby League Is Going Under Down Under

**SYDNEY** — Tina Turner has already gone and thousands of fans have followed her, but a bitter and protracted war between two rival billionaires rages on.

Rugby league, once promoted with Turner's hit song "Simply the Best," is hurtling from one crisis to the next in Australia, the sport's biggest theater.

Attendance has fallen, and one club with massive debts has been taken over by outside administrators while several others are considering amalgamation or relocation.

While rugby league, for decades the dominant sport in the states of New South Wales and Queensland, struggles, its chief competitors — rugby union and Australian Rules football — thrive. League, the traditionally professional code, is played with 13 men on each team. Union plays with 15 on each side and has only given up the pretense of amateurism in the last few years. Australian Rules, which is traditionally popular in Melbourne, in the state of Victoria, resembles Irish Gaelic football. It is played by two teams of 18 men with a rugby ball on a cricket field.

With the biggest game of the rugby-league season, the premiership grand final, looming on Sept. 29, a sense of gloom has replaced the optimism of the early 1990s.

An imminent court ruling is set to decide the fate of media tycoon Rupert Murdoch's plans for a breakaway Super League. A victory for Murdoch would produce a

permanent split. A defeat for Murdoch would leave the Australian Rugby League, which is backed by Kerry Packer, Australia's richest man, in control but with both sides nursing deep wounds.

In 1989, in an inspired (if seemingly incongruous) choice, the ARL employed Tina Turner, an American singer with no knowledge of the game, to lead its marketing campaign. Paid attendance and television ratings rose sharply.

Since Turner's departure in 1995 — the same year Murdoch and Packer locked horns — everything has changed. This season crowds for one round of games were down by 80 percent compared with the corresponding weekend in 1995.

Disillusioned by the long-running battle between Murdoch and Packer — who both see league as a vehicle to boost ratings for their media outlets — fans have defected.

Australian Rules has reaped some of the benefits, attracting a record of more than five million spectators this season. Rugby union in Australia also profited with record crowds in its first year as a fully professional sport.

Ken Arthurson, chairman of the Australian Rugby League, has conceded that his organization is "under financial pressure" after newspaper reports claimed the league owed money to many of the 20 premiership clubs.

Murdoch and Packer may be left with little worth fighting over.

## SCOREBOARD

## BASEBALL

## MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE			
EAST DIVISION			
Team	W	L	Pct.
New York	85	64	.570
Baltimore	82	67	.550
Toronto	77	72	.513
Detroit	67	82	.444
Chicago	51	100	.338
CENTRAL DIVISION			
Team	W	L	Pct.
Minnesota	80	69	.536
Chicago	74	75	.493
Minnesota	74	75	.493
Minnesota	71	80	.467
WEST DIVISION			
Team	W	L	Pct.
Seattle	84	67	.556
Oakland	79	70	.528
Oakland	73	79	.480
California	65	85	.433
NATIONAL LEAGUE			
EAST DIVISION			
Team	W	L	Pct.
Atlanta	89	61	.593
Atlanta	83	67	.553
Florida	73	79	.480
New York	67	84	.444
Philadelphia	61	90	.404
CENTRAL DIVISION			
Team	W	L	Pct.
St. Louis	91	59	.606
Chicago	78	74	.513
Chicago	74	75	.493
Cincinnati	74	76	.493
Pittsburgh	65	85	.433
WEST DIVISION			
Team	W	L	Pct.
Los Angeles	86	65	.570
San Diego	80	67	.544
Colorado	73	72	.500
San Francisco	61	90	.404

## TODAY'S LINE SCORES

Team	Score	Team	Score
Boston	2-0	San Diego	1-0
Seattle	6-0	San Francisco	1-0
St. Louis	6-0	San Francisco	1-0

## IHT Puts Baseball Stats on the Internet

All the box scores and the 1996 schedule on the IHT web site:  
<http://www.ihl.com/IHT/SPORTS/bbl.html>

## LIVE SCORES

Team	Score	Team	Score
Atlanta	8-0	San Diego	1-0
Atlanta	8-0	San Francisco	1-0
Atlanta	8-0	San Francisco	1-0

## TODAY'S LINE SCORES

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Winners Close  
up on Texas  
to Cleveland  
Twins Title

12 من الأصل



# Mariners Close Gap on Texas As Cleveland Clinches Title

## AL ROUNDUP

At New York, the opener of a three-game AL East showdown series between the Baltimore Orioles and the Yankees was rained out in the bottom of the first inning. Weather permitting, the game was to be made up as part of a doubleheader on Thursday. The Yankees lead the second-place Orioles by three games.



**The Dodgers' Hideo Nomo getting a hug from catcher Mike Piazza after no-hitting the Colorado Rockies, 9-0.**

## Nomo Brilliant in No-Hit Victory

## NL Roundup

This is the place that has hampered Nomo since he signed with the Dodgers last year. Twice he had pitched at Coors Field. Twice he had been battered, failing to last five innings with a 11.18 earned run average, yielding 18 hits and six walks in 9½ innings.

## A Big Hit Back Home in Japan

"It was really great, I was really

A dozen businessmen gathered inside an electronics shop to watch on the TV sets for sale. The crowd grew as the game neared its end. Everyone cheered as the no-hitter became official.

ough, said earlier in the day that he will leave the Pirates after this season to pursue a job with a contending team.

Martins 11, Phillies 5 Greg Colburn homered and drove in three runs at Veteran Stadium, and Pat Rapp (7-16) woo for the first time in over a month.

## *As a Storm Gathers, Torre Keeps His Cool*

More silence. Let's see if we've got this right, Joe. During the busiest part of a manager's day, when he makes out his lineup, meets with his starting battery and sometimes has a team meeting, too,

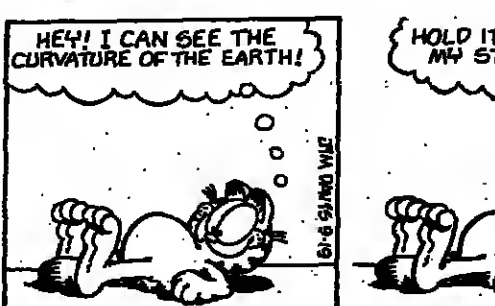
But Joe's brother, Frank, also a former major leaguer, said the magic words: "This may be your last chance to get to the World Series."

But it's appropriate. Whatever happens to the Yankees in coming days, Torre will be the one offering the pretzels. Nobody's going to tie him into one.

## PEANUTS



# GARFIELD



## BEETLE BAILEY



## BLONDIE



THAT'S WHAT I LEARNED IN KINDERGARTEN...

THAT'S WHAT I LEARNED IN OBEDIENCE SCHOOL...

John Cole

# CALVIN AND HOBBS



## WIZARD of ID



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## ART BUCHWALD

## Dole-ing Out Taxes

WASHINGTON—What this country needs is a balanced budget, a tax cut and a chicken in every pot.

The one person who can deliver all this is Bob Dole, because he only cares about the people who live outside Washington.

I asked a leading economist, "Can Dole really deliver a balanced budget, a tax cut and a chicken in every pot all at the same time?"

"If he can't, he shouldn't be running for president. The two things that Americans dream about are a nation without debt and one without taxes. If you can do this, you can get the chicken-in-the-pot vote. It can't be ignored."



Buchwald

"How does Dole plan to balance the budget?"

"He hasn't gone into detail, but it has something to do

with cutting the government in half, instituting a flat tax and having the FBI distribute chickens to every house in the land."

"Does it make sense to balance the budget and also give a tax cut to the voters?"

"Realistically it doesn't, but politics is not an exact science, and that's why candidates appeal to people's fantasies."

"Do you think that Dole actually believes he can solve the country's problems by cutting taxes?"

"Why else is he the Republican candidate? Besides if he can't do it, his Secretary of the Treasury Steve Forbes can."

"It sounds like supply-side economics to me. The less taxes people have to pay, the more money they can spend on goods made in Hong Kong."

"Don't be cynical. The major difference between the two candidates is that while Clinton is a big spender, Dole is a teeny-weensy spender. Dole's expertise in financial matters comes from the fact that he served in World War II and Clinton refused to go to Guadalcanal."

"Do you think that Clinton is going to offer the American people a tax cut comparable to the one Dole is promising?"

"He already has done that, but the Republicans say that he has stolen the idea from Dole."

"We're doubly blessed to have two candidates who know how to balance the budget and give us back money at the same time."

"As we used to say when Reagan was in the White House, 'Happy days are here again.'"

## An English Version Of Dead Sea Scrolls

The Associated Press

CINCINNATI—An English translation of the Dead Sea Scrolls for lay people is due to be published in November, providing greater access to the ancient documents that have fascinated religious scholars for decades.

"It's not going to be up there with Danielle Steel or Stephen King, but there will be a lot of college-educated people who would be interested in it," said Edward Cook, one of three scholars who produced "The Dead Sea Scrolls: A New Translation."

## Young Actress Meets Picasso and Maybe Fame

By Alan Riding  
New York Times Service

PARIS—The last time Natascha McElhone entered the Cafe de Flore, the clock had been pushed back to 1953 and she was playing Francoise Gilot. With the camera turning, she walked into the legendary Left Bank cafe in search of Pablo Picasso (Anthony Hopkins). Instead she bumped into Dora Maar (Julianne Moore), the woman she had replaced as his mistress. Beware, Maar warned theatrically, Picasso is an evil man.

A few months later, McElhone's entry was far more discreet. Tall, with long brown hair, huge eyes and high cheekbones, she has a classic beauty that blends into the natural elegance of Paris. As she climbed to the cafe's quiet second floor, no one recognized her. At the age of 25, this English actress is still unknown.

But later this year she will turn up in "Devil's Own" as the lover of an IRA terrorist, played by Brad Pitt. And soon she will play the young protagonist in an adaptation of Virginia Woolf's "Mrs. Dalloway" for the Dutch director Marleen Gorris, who made the acclaimed "Antonia's Line" (Vanessa Redgrave plays the older Clarissa Dalloway).

More immediately, McElhone is at the center of "Surviving Picasso," a film from the team of James Ivory (director) and Ismail Merchant (producer), this time with David Wolper. It opens Sept. 20.

"Surviving Picasso" follows the 60-something artist as he seduces the 20-something art student, Gilot. The screenplay, by Ruth Prawer Jhabvala, seems to closely follow Arianna Stassinopoulou Huffington's 1988 biography, "Picasso: Creator and Destroyer," which the producers bought and which portrays Picasso in a hostile light.

The movie begins in Paris during the Occupation, showing Picasso schmoozing with Nazi soldiers, and ends when Gilot walks out on the artist 10 years later, having



Natascha McElhone plays Francoise Gilot, who met Picasso when she was an art student.

borne him two children, Claude and Paloma. In between are scenes of the artist playing art dealers against one another, firing his chauffeur and mentally abusing the many women in his life.

Just four years out of drama school, McElhone was until recently struggling to build a stage and television career in Britain. Then Merchant and Ivory spotted her playing Helena in "A Midsummer Night's Dream" and Lady Anne in "Richard III" in open-air productions in London's Regent's Park. They thought they had found the enchanting beauty they needed

to be the center of their story about Picasso.

Granted, Picasso's other women are well represented in the film. But he drives his first wife, the dancer Olga (Jane Lapotnik), his mistress Marie-Therese Walter (Susannah Harker), Dora Maar and his second wife, Jacqueline Roque (Diane Venora), to madness, suicide or despair.

"Each served as his muse and was then discarded," Ivory noted last year, when he was making the film. Only Gilot survives intact.

"It started off as a game," McElhone said of Gilot's relation-

ship to the painter. "Then she had his children and fell in love with him. If she had had a choice, I don't think it would have been a game from the start, but it was the only way she could get him. She had to play cool, a hit like an adolescent. Picasso regarded women as goddesses or doormats."

Francoise Gilot left Picasso, McElhone says, "to save herself." How people view "Surviving Picasso" will depend on how much they are enchanted by McElhone, and how they feel about Picasso portrayed largely as a philanderer. Born near London and reared in

Brighton, McElhone had no acting experience when she entered the London Academy of Music and Dramatic Art at the age of 18. After three years there, she was given a part in "The Count of Monte Cristo" in Manchester. After that, she toured Britain in a production of Chekhov's "Cherry Orchard." Then came the Shakespeare productions in Regent's Park last year.

To prepare herself for playing Francoise Gilot, McElhone studied photographs of Picasso and Gilot. She read Huffington's biography, the book to which the producers had bought the movie rights, as well as Gilot's autobiography, "Life With Picasso." But she never sought out Gilot, who lives in New York and who had, in any event, refused to cooperate with the film.

"She is now in her 70s, and her attitudes about what happened back then may have changed," McElhone said carefully. "So I don't know how useful it would have been to meet her."

Working with Hopkins proved an education for McElhone. Although he never suggested how she should work, she said, he was always supportive. More important, she had a chance to watch an experienced actor on the job.

"He manages to be as private as he needs to be and yet as public as everyone wants him to be," she said. "He manages to maintain his discipline yet at the same time amuse everyone, entertain everyone. Then, for two minutes a day, he acts. He channels everything into those two minutes, like a firework coming alive."

Hopkins, who describes his character in the movie as the "classic male chauvinist pig," was no less impressed by the actress.

"She's gorgeous, so beautiful, so good, such great poise," he exclaimed. "I hope she's going to be a big, big movie star. I have a corrupting influence on her. I say: Don't go back to the theater. Make movies."

## PEOPLE

WHILE Michael Jackson wowed a crowd of 40,000 in Moscow, jury selection began in Santa Monica, California, for a \$60-million lawsuit against the singer, who allegedly reneged on a settlement reached to avoid charges of sexual misconduct. Evan Chandler, father of a 13-year-old who was allegedly abused, settled out of court with Jackson in 1994 rather than file criminal charges that would subject the boy to trial. But Chandler claims in the new action that Jackson failed to respect a confidentiality clause; he is demanding damages and interest in a trial that is expected to take place in two months. Back in Russia, Jackson dedicated his Moscow concert to love and peace for all mankind as he paraded on stage with children against a background of flags of the world.

Singer and composer Jimmy Buffett says he is teaming up with novelist Herman Wouk to produce the musical "Don't Stop the Carnival." The show is based on Wouk's 1965 novel of the same name about a publicist who gives

up the New York rat race for life on a Caribbean island. Buffett and Wouk, a Pulitzer Prize-winning author, plan to open the show in Miami in April. The book inspired Buffett to buy a hotel in the Caribbean; the building has since burned down.

Princess Diana arrived in Greece to attend the funeral of a young man she met during one of her mercy visits to a London hospital, official sources said. Dressed in black and avoiding direct looks into television cameras, she quickly left the Athens airport by car for the funeral in the mining town of Limni on the island of Evia. Yannis Kalyvotis, 27, had died in London from cystic fibrosis, a hereditary disease.

Sarah Ferguson, ex-wife of the Duke of York, faces new embarrassment in the form of a "shocking" set of memoirs penned by her former psychic healer, the Daily Mirror newspaper said. The tabloid said the tome by the Greek healer Vasso Kortesios was "the most

explosive book ever written about the monarchy." At any rate, the healer reportedly claims that Ferguson confided in her over a three-year period in the early 1990s when the marriage with Prince Andrew was falling apart. Last month, Ferguson won a court injunction preventing publication of a book about her relationship with businessman John Bryan.

The Cranberries, the Irish pop group, had to pull out of a U.S. tour after singer Dolores O'Riordan collapsed with flu and exhaustion, the group's spokesman said. The band had nine dates remaining in a tour that had them sharing the stage with the British group Oasis at the MTV Music awards and on the David Letterman show. Last week, Oasis halted its own U.S. tour following a reported row between band members Liam and Noel Gallagher.

The board that oversees the largest theater chain on Broadway announced it was dividing the two jobs once held by

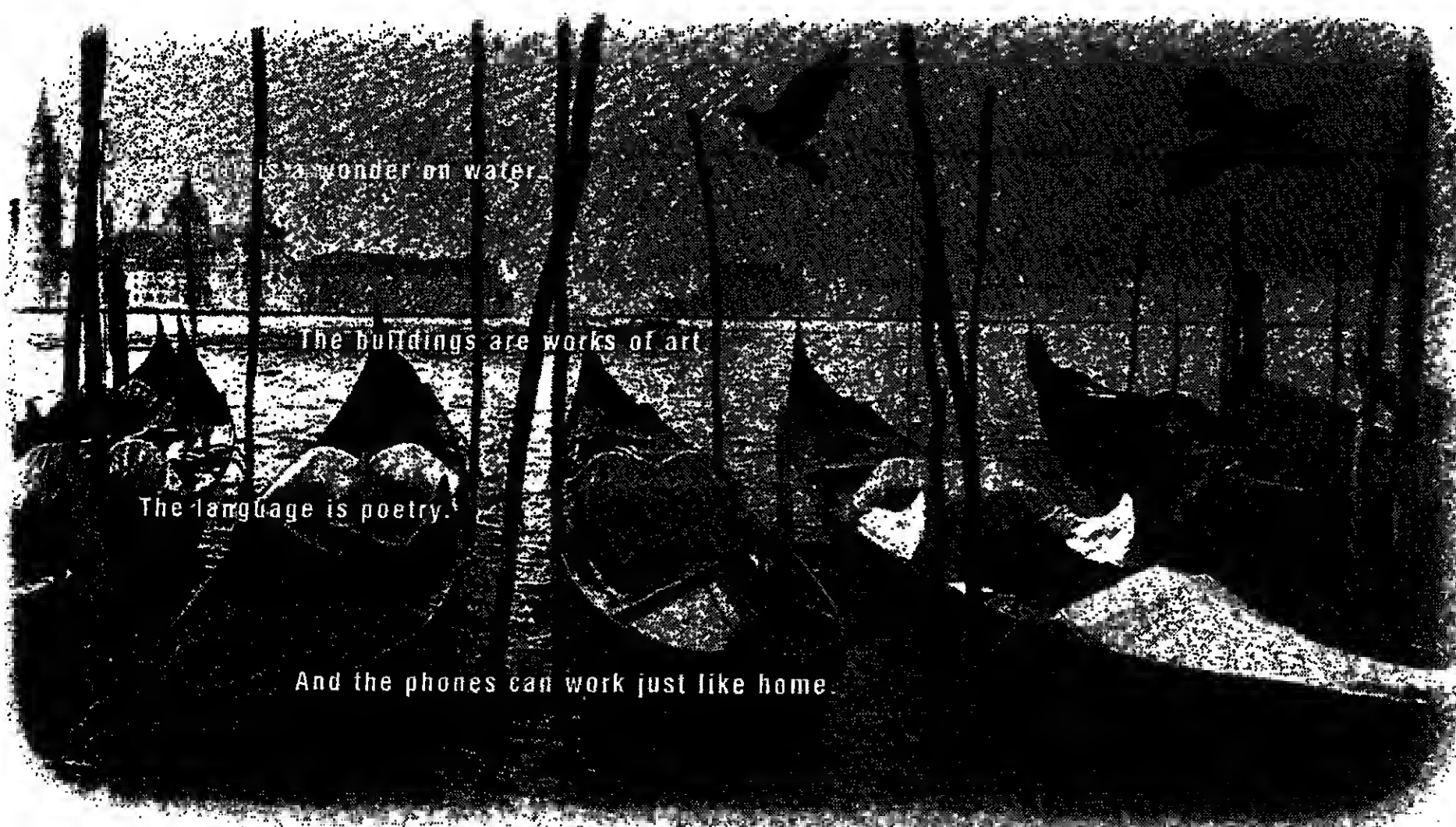
Bernard Jacobs, the Shubert theater executive who died last month. Michael Sovern, the former president of Columbia University, will become president of the Shubert Foundation, a philanthropy that manages donations to arts organizations, while Philip Smith was appointed president of the Shubert Organization, which operates 21 theaters.

Model Christie Brinkley, 42, will tie the knot for the fourth time with 37-year-old architect Peter Cook this weekend in a small ceremony at her home on Long Island, the New York Post reported. The Post also said husband No. 2, Billy Joel, may attend the wedding.

Heere's a promise kept: Johnny Carson helped his grade school penmanship teacher celebrate her 100th birthday. The retired host of NBC's "The Tonight Show" made a surprise return to his hometown of Norfolk, Nebraska, to honor Faye Gordon in her nursing home.



MAPPLETHORPE IN LONDON—An art critic perusing a work by the photographer Robert Mapplethorpe at an exhibit opening Thursday.



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